



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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January 5, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Miriam Hulst, Acquisitions Specialist
Ken Bierly, Deputy Director

**SUBJECT: Agenda Item O: Deferred Acquisitions
January 20-21, 2009 OWEB Board Meeting**

I. Introduction

This staff report provides an overview of the land acquisition applications received in the October 2008 grant cycle, gives an update on the status of previously pending land acquisition grant applications, and provides an update on the status of U.S. Fish and Wildlife Service (USFWS) Coastal Wetlands Grants for land acquisition.

II. Deferred Acquisitions

Staff received 11 land acquisition applications in the October 2008 grant cycle. The applications requested a total of \$8,741,462 and represented all regions except for Region 6. The applications are currently being evaluated for ecological and educational merit by the appropriate regional review team.

The October 2008 applications, combined with the additional 11 applications previously deferred for due diligence review, total \$16,410,232. Attachment A provides additional information about the acquisition applications that are currently pending and the acquisition applications that were received in the October 2008 grant cycle.

Land acquisition grant applications often require more time to fully evaluate and prepare funding recommendations than is available in the regular 21-week grant cycle. At the time of writing this staff report, none of the 11 land acquisition applications deferred at previous Board meetings will be ready for consideration at the January 2009 Board Meeting. It is possible that several of the October 2008 applications may be ready for Board consideration at the March 2009 meeting. At least one deferred acquisition, the Big Creek Acquisition, is also likely to be ready for Board consideration at the March 2009 meeting. Given the significance of the proposed acquisition and the funding amount requested from OWEB, staff want to brief the Board about the application in January. The application is described in the following section.

A. Big Creek Acquisition (209-105)

The Big Creek Acquisition application, currently pending due diligence review, is expected to be ready for funding consideration by the Board at the March 2009 Board meeting. The Nature Conservancy (TNC) is currently requesting \$2 million from OWEB for this

application. The Big Creek Acquisition project would be a large OWEB investment, and thus staff have opted to provide the Board with an informational preview of this project.

In April 2008, TNC submitted an application for the Big Creek Acquisition project seeking \$3,750,000 in OWEB funds. The Big Creek property, 193 acres located on the Oregon Coast in Lane County, is adjacent to Siuslaw National Forest and Washburne Memorial State Park. The application states that 97 percent of the property contains OWEB priority ecosystems, plant communities, and species. The property contains 132 acres of federally designated critical habitat for Oregon silverspot butterfly, a threatened species. The property also contains 0.65 miles of federally designated critical habitat for coho salmon, a threatened species. The presence of both threatened species has been confirmed on the property by the U.S. Forest Service (USFS) and TNC. The application states that steelhead, red-legged frog, band-tailed pigeon, and several other at-risk species are also present on the property.

The Big Creek property's zoning currently allows for development of a 150-unit destination resort and up to 11 additional units. The current owners have drafted building plans and obtained development permits. TNC recently entered into an agreement with the owners to purchase the property for the appraised value of \$4.07 million.

The Big Creek application states that acquisition of the property is consistent with five of the conservation principles contained in OWEB's Basin Ecological Priorities. The property's exceptional biodiversity and location adjacent to other conserved properties, in addition to the imminent development threat and the need for active restoration to sustain Oregon silverspot butterfly habitat, make the property a high priority for protection. The Region 1 review team feels that this site is a critically important conservation opportunity. The team identified Big Creek as a key watershed and the proposed property as a chance to conserve both aquatic and terrestrial species of significance.

In May 2008, the Board Acquisitions Subcommittee declined to proceed with due diligence review for the project. The Subcommittee's decision was based on TNC's intent to convey the property to the USFS after purchase of fee title. The Subcommittee was concerned about the state's ability to protect its conservation interests in such a scenario because federal agencies will not hold fee title to land on which the state has a conservation easement. The Subcommittee also declined to proceed with due diligence because it felt that TNC needed to explore additional funding sources, rather than asking OWEB to contribute \$3.75 million of the \$4.07 million purchase price.

As a result of the Subcommittee's concerns, TNC engaged Oregon Parks and Recreation Department (OPRD) in conversations regarding the project. OPRD has expressed interest in holding title to the property. TNC is seeking project funding from the National Oceanic and Atmospheric Administration (NOAA), U.S. Fish and Wildlife Service (USFWS), and private sources to reduce the amount requested from OWEB. In July of 2008, the Subcommittee decided to proceed with due diligence review for the project because of TNC's efforts to address its concerns. TNC submitted a revised application requesting \$2 million in OWEB funds, approximately 50% of the property's purchase price. Funding decisions are expected to be made by other funders between January and March of 2009.

TNC is working with OPRD, USFS, and its other project partners to develop a framework for collaborative management of the property. TNC anticipates having a cooperative management framework in place by March 2009. At that time, if the due diligence review is complete, staff expect to recommend the project for Board funding.

III. Coastal Wetlands Grants for Land Acquisition

As described in Agenda Item D9, the 2008 Coastal Wetlands Grants for the Yaquina and Alsea land acquisitions are held up by due diligence issues, although both acquisitions appear likely to proceed soon and may be ready for Board consideration at the March 2009 meeting. The grant applications for the OWEB funds to match the federal funds are noted in Attachment A.

In May of 2008, the Board authorized the Director to request legislative Emergency Board approval to submit 2009 Coastal Wetlands Grant applications to the USFWS. The Legislative Emergency Board in June of 2008 gave OWEB the approval to apply for 2009 Coastal Wetlands Grants. OWEB submitted applications for two land acquisition grants in the Nehalem Bay were submitted in late June of 2008. The total grant request was for \$1,463,077, with match from OWEB of \$868,462. This request has been reviewed by the USFWS. OWEB was informed that both applications were successful in receiving federal grant funds on December 17, 2008 (Attachment B). The state match amount will be requested from the 2009-2011 OWEB budget.

IV. Recommendation

This is an informational item only. No Board action is requested at this time.

Attachments

- A. OWEB Pending Acquisitions
- B. 2009 Coastal Wetlands Grant Notice

OWEB Pending Acquisitions							
App Number	Applicant	Project Name	Date Received	OWEB Funds Requested	Acerage	Primary Ecological Value(s)	Status
207-324	Wallowa Basin Land Trust	Lostine River CE	10/16/2006	\$516,000	175 ac.	riparian and wetlands	Received Title Report and Phase I ESA, Pending Appraisal
208-111	Greenbelt Land Trust	Luckiamute Meadows/Maxfield Creek CE	10/22/2007	\$200,000	76 ac.	riparian and wetlands	Pending Due Diligence
208-112	Greenbelt Land Trust	Luckiamute/Willamette Confluence CE	10/22/2007	\$600,000	125 ac.	riparian and wetlands	Pending Due Diligence
208-113	Greenbelt Land Trust	Willamette Floodplain-Upland CE	10/22/2007	\$600,000	200 ac.	riparian and wetlands	Pending Due Diligence
208-114	Greenbelt Land Trust	Evergreen Creek CE	10/22/2007	\$500,000	222 ac.		Pending Due Diligence
208-115	City of Eugene	South Eugene Hills Acq.	10/22/2007	\$1,205,330	400 ac.	fendlers blue & Kinkade lupine	Pending Due Diligence
208-116	The Wetlands Conservancy	Alsea Bay	Coastal Wetlands Grant	\$301,000	235 ac.	diked salt marsh	Pending Due Diligence
208-117	Wetlands Conservancy	Yaquina II	Coastal Wetlands Grant	\$46,250	61.35 ac.	tidal marsh	Pending Due Diligence
209-101	North Coast Land Conservancy	Neawana Riparian Forest	4/23/2008	\$1,314,960	212 ac.	riparian and wetlands	Pending Due Diligence
209-104	Benton County	Cardwell Hills CE	4/23/2008	\$385,230	65.5 ac.	Willamette Valley prairie	Policy Issues Raised
209-105	The Nature Conservancy	Big Creek Inholding	4/23/2008	\$2,000,000	193 ac.	coastal prairie & forest	Policy Issues Raised
Subtotal: pending acquisitions				\$7,668,770			

Attachment A

Acquisition Applications Received 10/20/08							
209-106	Lower Nehalem Community Trust	North Nehalem Bay	10/20/2008; 2009 Coastal Wetlands Grant	\$466,462	16 ac.	freshwater and tidal wetland, forested upland	New application
209-107	Western Horizons Conservation Society	Trackwell Ranch	10/20/2008	\$500,000	7,820 ac.	riparian and grassland	New application; potentially ineligible
209-108	Oregon Rangeland Trust	Maxwell Ranch CE	10/20/2008	\$700,000	3,600 ac.	freshwater wetland and riparian	New application
209-109	Oregon Rangeland Trust	Albertson Ranch CE	10/20/2008	\$200,000	730 ac.	freshwater wetland and riparian	New application
209-110	Western Rivers Conservancy	Elk River and Rock Creek	10/20/2008	\$200,000	170 ac.	riparian	New application
209-111	City of Albany	East Thornton Lake	10/20/2008	\$2,400,000	24 ac.	wetland, riparian, upland	New application
209-112	City of Cannon Beach	Ecola Creek Forest Reserve Addition	10/20/2008	\$1,400,000	805 ac.	riparian, wetland, forested upland	New application
209-113	The Nature Conservancy	Table Rocks	10/20/2008	\$1,300,000	1,690 ac.	oak woodland and savanna, upland prairie	New application
209-114	Deschutes Land Trust	Coffer Ranch CE	10/20/2008	\$325,000	330 ac.	freshwater wetland and riparian	New application
209-115	Three Rivers Land Conservancy	Carver Caves	10/20/2008	\$500,000	87 ac.	cliff, cave, talus slope, upland forest	New application
209-116	McKenzie River Trust	Duncan Island CE	10/20/2008	\$750,000	83 ac.	freshwater and tidal wetland, forested upland	New application
Subtotal: applications received 10/20/08				\$8,741,462			
TOTAL				\$16,410,232			

CE = Conservation Easement

U.S. Fish & Wildlife Service

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News Release



For Release on December 17, 2008

08-098

Contact: Amy Gaskill, Portland, Oregon, (503) 231-6874

More Than \$8 Million in Coastal Wetland Grants Going to Oregon and Washington

The Wildlife and Sport Fish Restoration Program of the U.S. Fish and Wildlife Service is awarding more than \$20 million in Coastal Wetlands Conservation grants to 12 states, Interior Deputy Secretary Lynn Scarlett announced today. Of that amount, the states of Oregon and Washington will receive a total of \$8.7 million in grants.

The Coastal Wetlands Conservation grants will provide federal funding for two projects in Oregon and eight in Washington and will be supplemented with \$6 million from state and private partners. The grants will be used to acquire, restore, or enhance more than 1,444 acres of coastal wetlands for long-term conservation benefits to wildlife and habitat. Partners in this year's projects include state and local governments, local land trusts, private land owners, and many others.

"Coastal wetlands not only provide valuable habitat for many fish and wildlife species but they also help keep our oceans cleaner and serve as buffers to protect coastal communities from storms and flooding" said Robyn Thorson, Director of the Service's Pacific Region, which includes Washington and Oregon. "This Region's Coastal Program is a great example of a voluntary approach to habitat conservation. By providing technical and financial assistance to our partners, we can enlist their help in conserving coastal areas threatened by development and predicted sea-level rise resulting from climate change."

The National Coastal Wetlands Conservation grants are awarded to states through a competitive process. The program is funded under provision of the 1990 Coastal Wetlands Planning, Protection and Restoration Act, with money generated from excise taxes on fishing equipment and motorboat and small engine fuels.

The following are descriptions of the nine projects which received grants this year in Oregon and Washington.

Oregon

Bott's Marsh Nehalem Estuarine – The Oregon Watershed Enhancement Board (OWEB) working with the Trust for Public Land proposes to acquire 36.76 acres of estuarine intertidal marsh and tidal channels in the Nehalem Estuary in Tillamook County. Acquisition of the Bott's Marsh is the key to a larger effort to conserve the Nehalem Estuary led by local land trusts and OWEB. Bott's Marsh is at risk of being developed and the wetland heavily impacted or eliminated by marina development.

Grant request: \$950,000
Partner share: \$402,000
Total cost: \$1,352,000

North Nehalem Bay Wetlands Conservation – The Oregon Watershed Enhancement Board in partnership with the Lower Nehalem Community Trust proposes to acquire 16 acres at the edge of Nehalem Bay in Tillamook County on the northern coast of Oregon. Of the 16 acres, 12.5 acres are declining freshwater forested and estuarine intertidal wetlands and 3.5 acres are adjacent uplands. Acquisition of the proposed sites is an important step in protecting Nehalem Bay wetlands from the impacts of residential development, and it will establish connectivity among State and private conservation sites that border the northern half of Nehalem Bay.

Grant request: \$629,665
Partner share: \$583,078
Total cost: \$1,212,743

Washington

Dutcher Cove-Sewell Property Acquisition – The Washington Department of Ecology, the Key Metropolitan Park District, and the Trust for Public Land are working together to conserve tidelands in Dutcher Cove on the Key Peninsula in South Puget Sound. The Department of Ecology proposes to acquire 25.5 acres, including 19 acres of declining coastal wetlands. Dutcher Cove is a highly productive habitat that benefits several threatened species, including five salmonids. The tidal flats also provide excellent habitat for recreationally and commercially valuable shellfish and forage fish that support migratory waterfowl and shorebirds.

Grant request: \$500,000
Partner share: \$555,500
Total cost: \$1,055,000

Harstene Island – Scott Property Acquisition – The Washington State Parks and Recreation Commission in partnership with the Trust for Public Land (TPL) proposes to acquire 39.3 acres on the eastern shore of Harstene Island in southern Puget Sound. This project is part of a larger collaboration with TPL to protect approximately 112 acres of tidelands, wetlands, and associated uplands. This tract contains three small fresh water streams and their associated palustrine wetlands and uplands, as well as feeder bluffs, pocket estuaries, rocky intertidal beach, and sandy intertidal beach. This property has been a priority acquisition for the Washington State Parks in the last 10 years.

Grant request: \$1,000,000

Partner share: \$1,010,000
Total cost: \$2,010,000

Hoquiam Surge Plain Coastal Grant Phase I –The Washington State Department of Fish and Wildlife in partnership with the Chehalis River Basin Land Trust, Cascade Land Conservancy, and Grays Harbor Audubon propose to acquire 714 acres of high quality coastal surge plain and adjacent spruce forest within the Grays Harbor ecosystem, located on the Olympic Peninsula. This acquisition is part of an effort to protect 1,138 acres of privately held land that is under threat of development. The Hoquiam surge plain’s extensive network of tidally influenced channels, sloughs and wetlands provide critical rearing and foraging habitat for juvenile Chinook, Chum, Coho, salmon and steelhead

Grant request: \$1,000,000
Partner share: \$470,000
Total cost: \$1,470,000

Kiket Island Shoreline Acquisition Phase I – Washington State Parks and Recreation Commission is working with the Trust for Public Land and other not-for-profit and governmental organizations to acquire Kiket Island in North Skagit Bay in Skagit County. Phase I will permanently protect approximately 50.5 acres of high quality estuarine intertidal wetlands, marine nearshore, and associated uplands for expansion of the Deception Pass State Park. The project area includes valuable fish forage and spawning habitat, native fringe eelgrass beds that provide habitat to juvenile salmonids, and valuable sediment feeder bluffs that provide substrate for marsh development and intertidal spawning areas.

Grant request: \$1,000,000
Partner share: \$1,039,400
Total cost: \$2,039,400

Lily Point Acquisition Phase II – The Washington State Department of Ecology, partnering with The Nature Conservancy and Whatcom County, proposes to acquire a 146-acre tract with 4,200 feet of natural shoreline and 94 acres of nationally declining estuary intertidal wetlands. The project area is located on the southeast corner of Point Roberts in Puget Sound, bordered by Canada to the north, Boundary Bay to the east and the Strait of Georgia to the south. The proposed acquisition will be combined with an adjacent 130-acre tract to create a new County park. It also contains exceptional sediment feeder bluffs that provide forage fish spawning substrate and sediment to nourish declining estuarine wetland habitat along the western side of Boundary Bay.

Grant request: \$1,000,000
Partner share: \$454,550
Total cost: \$1,454,550

Lower Eld Inlet Acquisition Phase II – The Washington State Department of Ecology proposes to acquire 55 acres at the southernmost terminus of Puget Sound, including 51.5 acres of wetlands, 1.25 miles of coastal shoreline, and estuarine habitat, tidal sloughs, freshwater springs, and forested uplands. The site, 66 percent of which is nationally declining coastal wetland types, provides excellent habitat for five salmonid species

including Eld Inlet fall chum, Puget Sound coho, Federally threatened Puget Sound fall Chinook and winter steelhead, and anadromous coastal cutthroat trout. This project will add to nearly 600 acres that have already been conserved in the Eld Inlet watershed.

Grant request: \$650,000
Partner share: \$417,780
Total cost: \$1,067,780

Lynch Cove Acquisition – Washington State Department of Fish and Game proposes to acquire 236 acres of estuarine intertidal wetland habitat in Puget Sound near the town of Belfair for protection of habitat for coastal and fish and wildlife resources, including five species of salmonids. In addition, 45 acres of farmed-diked pasturelands will be restored to estuary function. The salt marsh provides valuable habitat for migratory birds and other wetland-dependent fish and wildlife species. This is also one of the most important winter waterfowl areas in Hood Canal and South Puget Sound. This project will add to 540 acres in the estuary that have been conserved through previous grants and by the Great Peninsula and Cascade Land Conservancies.

Grant request: \$1,000,000
Partner share: \$480,000
Total cost: \$1,480,000

Twin Rivers Estuary Acquisition – The Washington Department of Ecology in partnership with the Squaxin Island Tribe proposes to acquire 125 acres of highly quality estuarine and freshwater habitat complex. The project area is located at the upper end of Oakland Bay in southern Puget Sound and is bounded by two productive salmon streams. The site includes approximately 3,200 feet of marine/estuarine shoreline and 66 acres of nationally declining estuarine intertidal wetlands between the mouths of the two streams. This property provides important habitat for five salmonid species, forage fish species, numerous migratory and resident shorebirds, waterfowl, shellfish, and other wildlife.

Grant request: \$1,000,000
Partner share: \$598,190
Total cost: \$1,598,190

The U.S. Fish and Wildlife Service is the principal Federal agency responsible for conserving, protecting and enhancing fish, wildlife and plants and their habitats for the continuing benefit of the American people. The Service manages the 95-million-acre National Wildlife Refuge System, which encompasses 545 national wildlife refuges, thousands of small wetlands and other special management areas. It also operates 69 national fish hatcheries, 64 fishery resources offices and 81 ecological services field stations. The agency enforces federal wildlife laws, administers the Endangered Species Act, manages migratory bird populations, restores nationally significant fisheries, conserves and restores wildlife habitat such as wetlands, and helps foreign and Native American tribal governments with their conservation efforts. It also oversees the Federal Assistance program, which distributes hundreds of millions of dollars in excise taxes on fishing and hunting equipment to state fish and wildlife agencies.

-FWS-