

HB 2173 HEARING

Comments by:

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What is the purpose of HB 2173?

- Currently, wetland creation, restoration, and enhancement is a Sub-1 outright permitted use
- Goal 3: For more than three decades, Oregon has maintained a strong policy to protect farmland. Goal 3 calls for the “preservation of a maximum amount of the limited supply of agriculture land.”
- Today there are multiple funding sources to leverage funds for acquisition and wetland restoration: Federal granting sources (LWCF, National Coastal Wetland, etc), USFW, OWEB, ODFW, BPA mitigation agreement, SWCD’s, watershed councils, OPRD, mitigation banking (DSL), NGO’s, etc.
- There needs to be a local process to determine which lands are best suited for agriculture lands and which lands are best for wetlands.
- There is a need for a process to ensure there is no adverse affect to agriculture operations, adjacent landowners, drainage, forage production, and the agriculture industry as a whole.
- These WETLANDS are permanent.

What will the change of wetland creation, restoration, and enhancement to a Sub-2 conditional use do?

- Create transparency
- Provide a process to address any potential adverse affects to wetland projects.
- Provide local control through the planning process to make determinations
- Protect existing agriculture and other rural drainage
- Retain the agriculture land base for local food production for the public’s benefit
- Should there be adverse affects to productive agriculture lands and damages, there should be a venue to recoup damages

If the trend of converting productive agriculture land to wetlands continues, there will be a loss of food and fiber production, farm land, jobs, and revenue to the State of Oregon. Wetlands have their place but it is not in the heart of productive agriculture lands.

Oregon Department of Land Conservation and Development



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Statewide Planning Goals

Farmland Protection Program

State Statutes

For more than three decades, Oregon has maintained a strong policy to protect farmland. The policy was adopted by the state legislature in 1973. It calls for the "preservation of a maximum amount of the limited supply of agricultural land" ([Oregon Revised Statutes 215.243](#)).

Administrative Rules

Rulemaking

The main tool for carrying out that policy is the Statewide Planning Program. Oregon's Land Conservation and Development Commission (LCDC) sets standards for such planning. The cities and counties then apply them through local comprehensive plans and land-use ordinances. Under this system, all counties in Oregon have adopted planning and zoning measures to protect agricultural land.

Public Meetings

Grants

News

Publications

This summary below answers some key questions about Oregon's farmland and agricultural planning and zoning.

Public Records Requests

Farmland Facts

Forms & Notices

How does Oregon's Statewide Planning Program protect agricultural land?

The program calls for counties to:

1. Inventory agricultural land
2. Designate it in the comprehensive plan
3. Adopt policies to preserve it
4. Zone it Exclusive Farm Use (EFU)

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Oregon's land use program places major emphasis on maintaining commercial agriculture. EFU zoning limits development that could conflict with farming practices. It keeps farmland from being divided into parcels too small for commercial agriculture. Lands in these zones are automatically eligible for lower property taxes based on the land being farmed. All 36 counties in Oregon have applied EFU zoning to their agricultural land.

Is agriculture important to Oregon's economy?

Yes! It is one of Oregon's largest industries – the largest by some measures. In 2007, according to the latest data from the [Oregon Department of Agriculture](#), farms in Oregon generated \$4.9 billion in gross sales. With value-added processing, sales of farm-related goods and services and farm-related employment, the total direct and indirect contribution by agriculture to Oregon's economy is more than \$12 billion. This equates to 10 percent of Oregon's gross state product and more than nine percent of all employment in the state. About 98 percent of Oregon's farm sales are generated by "commercial" farms – those farms that earn more than \$10,000 in annual gross sales. These farms make up 87 percent of the state's agricultural land base.

Is agriculture's importance to Oregon's economy growing or declining?

It's growing! Gross sales of agricultural products in Oregon increased 35 percent from 1995 to 2005, unadjusted for inflation, and about 10 percent adjusted for inflation. A key growing sector in the state is vineyards and associated wineries. Agriculture is a key traded sector in Oregon, ranking third in the value of exported products. Over 80 percent of this production leaves the state, with 40 percent leaving the country, thus contributing to the state's balance of trade.

What is agricultural land?

In broad terms, it is rural land that is being used or can be used for agriculture. [Statewide Planning](#)

[Goal 3](#) defines agricultural land largely in terms of soil productivity, as measured under the U.S. Natural Resources Conservation Service's Soil Capability Classification System. Agricultural land includes Class I-IV soils in western Oregon, Class I-VI soils in eastern Oregon and other lands suitable for farm use. Goal 3 provides a more detailed definition that should be consulted.

How much agricultural land is there in Oregon?

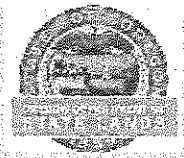
Roughly 28 percent of Oregon's land base – 17.1 million acres – is in agricultural use, according to the 2002 Census of Agriculture. This acreage represents a 2.1 percent decrease from the 1997 Census figure of 17.4 million acres in agricultural use. This loss of farmland was due primarily to its conversion to non-farm (primarily residential) uses in areas planned for development. 2007 census data will not be released until early 2009, but the acreage in agricultural use can be expected to drop somewhat again as new population growth is accommodated.

How many farms are there in Oregon?

About 38,300, according to the Oregon Department of Agriculture. The definition of farm used by the U.S. Department of Agriculture is "any place from which \$1,000 or more of agricultural products were produced and sold or normally would have been sold during the census year." While the number of mid-sized and large farms in Oregon has remained fairly stable over the years, there has been a steady increase in the numbers of smaller, part-time "hobby" farms.

What are the primary components of EFU zoning?

State of Oregon State Land Inventory Report



Department of State Lands
 775 Summer St. NE, Salem, OR, 97301
 503-986-5200
www.oregon.gov/DSL

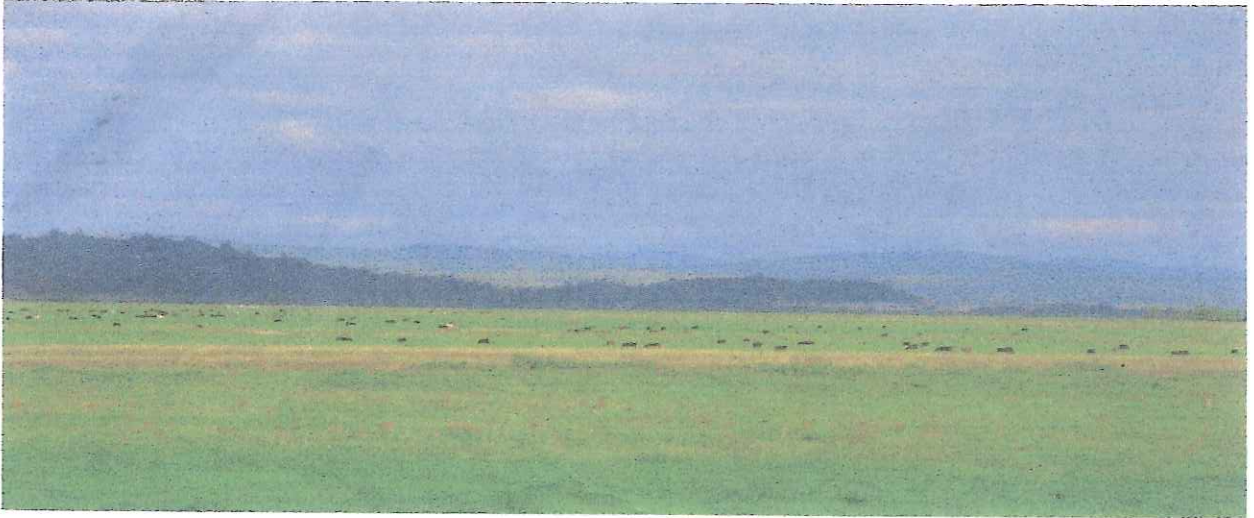
Department of Administrative Services
 155 Cottage St. NE, U20, Salem, OR, 97301
 503-378-3104
www.oregon.gov/DAS

Agency Ownership Statewide

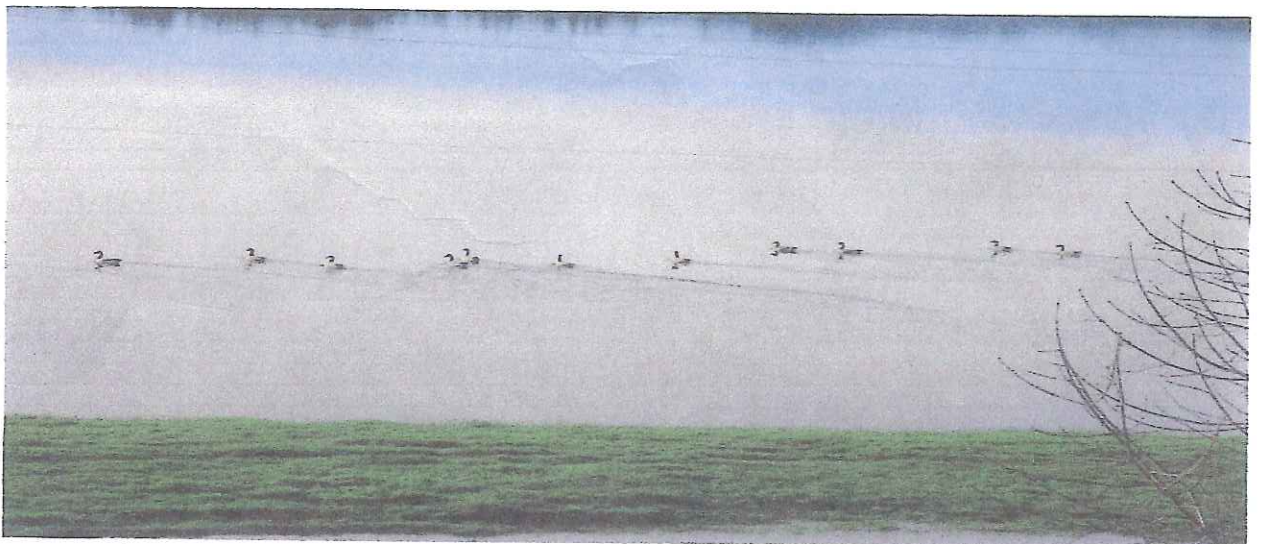
State Agency	# of Tax Lots	ACRES	Percent of Total
Dept. of Aviation	127	1,694	0.0971%
Dept. of Agriculture	4	3	0.0002%
Dept. of Admin Services	88	972	0.0557%
Dept. of Education	2	50	0.0029%
Dept. of Enviro Qual	1	0	0.0000%
Dept. of Fish & Wildlife	728	139,271	7.9812%
Dept. of Human Services	1	0	0.0000%
Dept. of Corrections	47	3,732	0.2138%
Dept. of Energy	1	7	0.0004%
Dept. of Forestry	2,208	682,703	39.1236%
Dept. of Transportation	3,303	19,121	1.0958%
Dept. of State Lands	1,343	777,340	44.5469%
Dept. of Veteran's Affairs	1	15	0.0009%
Dept. of Water Resources	13	2,158	0.1236%
Employment Dept.	24	8	0.0004%
Liquor Control Com.	2	17	0.0010%
Military Dept.	76	1,591	0.0912%
Parks & Recreation Dept.	1,543	95,637	5.4807%
University System	564	20,226	1.1591%
Oregon Youth Authority	13	444	0.0254%
PERS	1	4	0.0002%
Grand Total	10,090	1,744,992	100%

The data for this report is based on tax lot and ownership information provided by County Assessor's Offices. It does not include public rights of way (highways, road, and streets) or waterbodies, which have not been assigned a tax lot by a County Assessor. As a result, the land reported as owned by the State of Oregon consists of only those properties which have been assigned a tax lot and does not include property classified as public rights of way or waterbodies by the county assessor. This report does not include State ownership of 'Mineral Rights' (subsurface only property ownership).

WINTER LAKE: COQUILLE VALLEY, OREGON



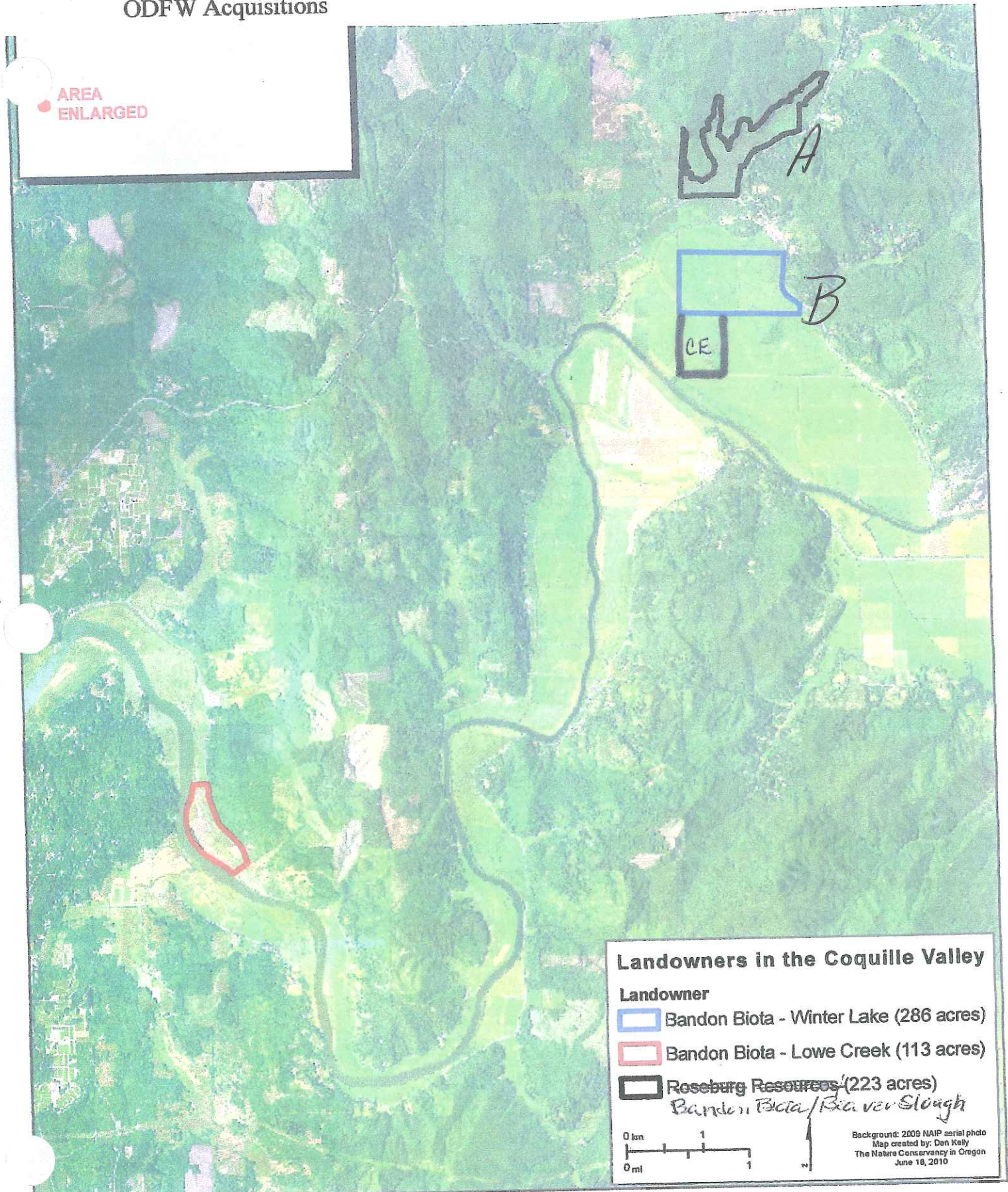
Summer, 2012



Winter, 2012

Coquille Valley, Oregon: Wetland Conservation and Restoration ODFW Acquisitions

● AREA ENLARGED



Landowners in the Coquille Valley

- Landowner**
- Bandon Biota - Winter Lake (286 acres)
 - Bandon Biota - Lowe Creek (113 acres)
 - Roseburg Resources (223 acres)
Bandon Biota/Beaver Slough



Background: 2009 NAIP aerial photo
Map created by: Don Kelly
The Nature Conservancy in Oregon
June 18, 2010

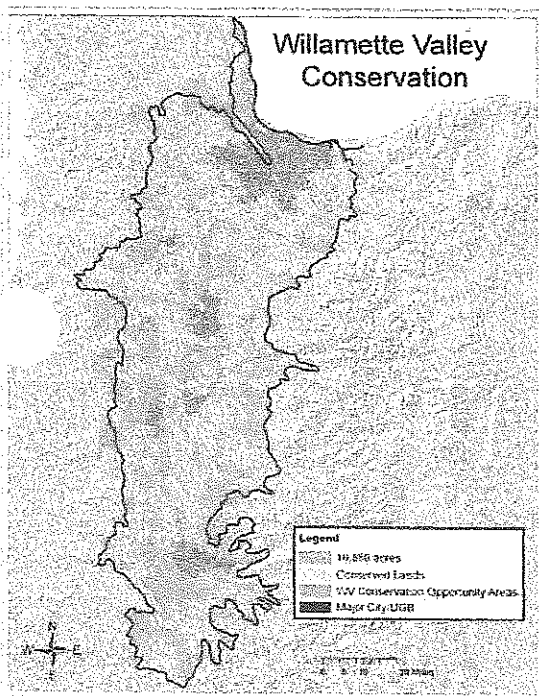
CE - Conservation Easement Proposed (20 acres)
in 2012 Amended Grant



The Willamette Wildlife Mitigation Program

Background:

In 2010, the State of Oregon and Bonneville Power Administration (BPA) entered into a fifteen year agreement to permanently settle wildlife mitigation responsibilities for the federal Willamette River Basin Flood Control and Hydroelectric Project in the Willamette subbasin. The Willamette Project includes 13 multi-purpose dams and reservoirs as part of the Federal Columbia River Power System. The Parties to the Willamette River Basin Memorandum of Agreement Regarding Wildlife Protection and Enhancement (MOA) determined that settlement would be accomplished through the protection of an agreed number of acres that, once protected, would permanently settle the federal mitigation requirement. BPA agreed to provide specific funding amounts for the purchase of lands in fee title or conservation easement, as well as the protection and maintenance of this acreage.



Conceptual view showing the scale of land acquisition area potential under the BPA-ODFW Agreement.

The MOA established goals for mitigating the effects of the construction, inundation and operation of the Willamette River Basin Flood Control and Hydroelectric Projects. Under the terms of the MOA, Oregon and the BPA agreed to acquire at least an additional 16,880 acres of wildlife mitigation property to protect 26,537 acres (or more) by the end of 2025. To accomplish this mitigation objective the parties established the Willamette Wildlife Mitigation Program (WWMP), managed by the Oregon Department of Fish and Wildlife (ODFW).

Program Priorities:

The cumulative effect of the loss and degradation of wildlife habitat in the Willamette has included the loss of abundance and diversity of many species, culminating in severe cases in the listings of plant, wildlife, and aquatic species under the Endangered Species Act (ESA). The Willamette Subbasin supports 31 fish, 18 amphibian, 15 reptile, 154 bird, and 69 mammal native species. Currently, 36 of these species are listed as threatened, endangered, or as a species of significant conservation concern. The primary cause of these declines is the loss of critical habitat.

The WWMP prioritizes efforts to protect and restore wildlife habitat in the Willamette basin. ODFW will use the Oregon Conservation Strategy to form the basis for the program. Other priorities for the program include those identified in the Willamette Basin Biological Opinions, the Willamette Subbasin Plan, and also Recovery Plans for terrestrial and aquatic Endangered Species Act (ESA)-listed species.

Projects funded through the WWMP should include the following goals:

- Protecting wildlife habitats with significant cultural values;
- Cost-sharing to ensure the WWMP can meet or exceed acreage objectives;
- Partnerships to enhance the likelihood of successful project completion;
- Providing public access on properties, consistent with conservation values of the property; and
- Encouraging the use of Ecosystem Services Markets.

Funding information:

A has agreed to fund acquisition through a set schedule of funding, totaling \$117,864,424 from 2011-2025. Program partners will also pursue cost sharing and other efficiencies so that the funds provided under the MOA could result in acquiring more than 16,880 additional acres during the project term. Any non-BPA funding that contributes to implementation of a project funded by BPA under this Agreement is in addition to (and not a substitute for) the funding from BPA by this Agreement.

Additional funding of \$26,226,440 is provided over the course of the MOA and devoted to development and implementation of an operations and monitoring program within ODFW, which will focus on the long term protection of habitat and habitat function and will develop programs to monitor habitat and species response on properties protected.

Project development:

ODFW will solicit project proposals on an annual basis. Projects should meet identified WWMP priorities. Once submitted, projects will be reviewed by a technical review team to be scored and ranked according to the WWMP's Project Selection Criteria, available on the website below. Following the technical review, proposed projects are reviewed by a stakeholder group, the Willamette Advisory Group. Following their review, the ODFW Director recommends a final project list to BPA for funding.



ODFW staff will assist sponsors with project identification and development. Please contact any of the WWMP staff or other key ODFW staff listed below for assistance with project development or questions about the WWMP.

For more information:

Willamette Wildlife Mitigation Program website: http://www.dfw.state.or.us/wildlife/willamette_wwmp/index.asp

Oregon Conservation Strategy website: <http://www.dfw.state.or.us/conservationstrategy/index.asp>

ODFW contacts:

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Oregon

John A. Kitzhaber, MD, Governor

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www.oregon.gov/OWEB



January 5, 2012

MEMORANDUM

TO: Oregon Watershed Enhancement Board

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

SUBJECT: Agenda Item L: Land Acquisition Grant Awards
Coastal Wetlands and Deferred Acquisitions
January 18-19, 2012 OWEB Board Meeting

I. Introduction

This report requests Board action on delegation of authority to the Director to award federal funds for three Coastal Wetlands grants, and two land acquisition applications in Tillamook County that have been previously deferred for consideration of due diligence materials. Due diligence is complete and the applications are now ready for funding consideration.

II. Coastal Wetlands Grants Background

The National Coastal Wetlands Conservation Grant Program was established by Title III of P.L. 101-646, Coastal Wetlands Planning, Protection and Restoration Act of 1990. Under the Program, the U.S. Fish and Wildlife Service (USFWS) provides matching grants to states for acquisition, restoration, management or enhancement of coastal wetlands. To date, about \$183 million in grant monies have been awarded to 25 coastal states and one U.S. Territory to acquire, protect or restore over 250,000 acres of coastal wetland ecosystems. Typically, between \$13 and \$17 million in grants are awarded annually through a nationwide competitive process. Funding for the program comes from excise taxes on fishing equipment and motorboat and small engine fuels. The Coastal Wetlands Grants offer a significant partnership investment opportunity to restore and protect wetland and estuary ecological values, promote strong partnerships, and provide a two to one match of OWEB funds.

To date, OWEB has been awarded more than \$9 million in federal funds for the implementation of coastal wetlands acquisition and restoration in Oregon.

Coastal Wetland Grants Awarded		
Year	Project	Amount
1998	Neawanna wetland acquisition, Seaside	\$170,000
1999	Coos-Coquille wetland acquisition and restoration	\$820,000
	Tillamook wetland acquisition	\$750,000
	Smith River estuarine restoration	\$138,875
2003	Yaquina River estuarine land acquisition	\$952,214
	Circle Creek Wetlands, Seaside	\$750,000

2008	Lint Slough restoration	\$310,000
	Lower Salmon River restoration	\$754,860
	Alesea Acquisition	\$997,350
	Yaquina Acquisition II	\$95,725
2009	Nehalem II	\$629,655
	Botts Marsh	\$950,000
2010	Miami River Estuary Acquisition	\$317,700
	Coquille Valley Conservation	\$1,000,000
	Tillamook Bay Wetlands	\$1,000,000

III. Coastal Wetlands Grants Review Process and Status

In 2010, OWEB was awarded three major wetland grants totaling \$2.3 million. The Oregon Legislature gave the Board the expenditure limitation for the federal funds in OWEB's 2011-2013 biennium budget. The limitation is for the biennium only. If agreements between OWEB and local partners proceed this spring for the three federal grants, there is a tremendous opportunity to accomplish a significant amount of the planned restoration this summer.

Each project partner has submitted an OWEB land acquisition grant application through the regular grant cycle for state matching funds. The applications have been considered by the Board Land Acquisition Subcommittee and reviewed by the respective Regional Review Team. The Miami and Coquille projects have been recommended to go forward with due diligence. The Tillamook project has changed from the initial submittal and staff request that it be resubmitted.

The following sections briefly identify each of the projects and their status, describe the next steps in securing the required state match, and describe the staff recommended action.

A. Miami River Estuary Acquisition

The federal grant for the Miami River Estuary Acquisition is \$317,700 with state match from OWEB of \$150,000 and an additional local match of \$100,000. This project involves four separate properties; one is ready for funding now. (See Section IV.A. below.)

1. Project Description

OWEB was awarded \$317,700 to help acquire and restore approximately 76.2 acres in the Miami River Basin in Tillamook Bay, including 56.7 acres of nationally declining wetlands. This proposal is the second of a two-phase project to improve aquatic habitat by enhancing tidal channel connection, restoring the historic character of the site vegetation by reducing invasive species and planting native vegetation, enhancing riparian corridors to reduce the water temperature, and permanently protecting the project area. The total cost of the second phase is \$567,700.

The Miami River watershed is one of five watersheds that drain into Tillamook Bay on the north coast of Oregon. The Miami River watershed has lost much of its original estuarine, emergent, scrub-shrub, and forested wetland areas to diking, draining, and the conversion of land to agriculture. The Miami River wetlands support a wide variety of plants and wildlife, including all five species of Tillamook Bay salmonids: Coho (federally threatened), Chinook, Chum, Steelhead, and Cutthroat trout.

This project involves the fee acquisition of three separate properties and a conservation easement on a fourth. The conservation acquisition will protect the significant restoration action conducted by the Tillamook Estuaries Partnership in 2009-2010. The OWEB Board toured this site during its September 2010 meeting. The individual parcels are shown on the attached map of the Miami River Estuary. (Attachment A)

2. Partners

The partners in the Miami River Estuary project are the Nature Conservancy (TNC) and Tillamook Estuaries Partnership (TEP).

3. Process, Status, and Recommendation

Since there are four separate parcels and associated restoration actions, this project will be implemented in stages. One property (Parks) is ready for funding by the Board at this time. Restoration on the Parks property has been completed. The timing on the remaining properties will depend on the land negotiations being conducted by TNC. Completion of the due diligence for the Crabb property is expected before the March Board meeting. Negotiations for the properties on the west side of Highway 101 are ongoing.

Staff recommend the Board delegate the authority to the Director to develop agreements for the federal funds as properties are ready for acquisition. This will allow for agreements to be finalized as land negotiations and due diligence materials are reviewed and approved. Land acquisition will not be complete before the award of state matching funds by the Board.

B. Tillamook Bay Wetlands Protection and Restoration

The federal grant for the Tillamook Bay Protection and Restoration project is \$1,000,000 with \$650,000 of state match and an additional local match of \$1,700,000. The project will involve significant dike removal and allow flood tides to reclaim previously diked land as salt marsh. This project is important to reducing the flooding impacts to Tillamook County. The project also will restore wetland conditions to properties previously purchased with federal funds. The project has changed to address community concerns, however the federal and OWEB funds are targeted to those elements that will provide ecological benefits as well as flood reduction benefits.

1. Project Description

OWEB was awarded \$1 million to help acquire four parcels totaling 100 acres of declining wetlands in Tillamook Bay on the northern Oregon Coast. This project also includes the restoration of 484 acres of intertidal marsh that includes 377 acres of land acquired through a 1999 Coastal Wetlands Grant. The total project cost is estimated at \$3,350,000. Numerous studies have identified the Tillamook Bay Estuary as a high priority for wetland conservation and restoration. This project is the largest wetland restoration effort proposed to date in Oregon. This project will provide nesting, feeding, and nursery areas for a diverse array of at-risk fish and wildlife species such as the northern red-legged frog, bald eagle, peregrine falcon, Pacific lamprey, Chinook and chum salmon, and federally threatened Coho salmon. Tillamook Bay represents the southernmost boundary and the largest remaining population of chum salmon. Restoration of these tidal habitats is crucial to protecting this population.

The area between the Wilson River and the Tillamook River in Tillamook Bay was diked to prevent flooding and to provide agricultural pasturage for the dairy industry. Diking has been one of the factors affecting flood patterns in the Tillamook area. Highway 101 through the area between the Wilson River and Tillamook River is frequently flooded. The highway provides a critical link between the City of Tillamook and the northern portion of the county. Actions to reduce flooding on Highway 101 have been under discussion in the community for decades. An Oregon Solutions project to develop an acceptable approach was initiated in 2007. These conversations resulted in the project that was proposed for partial funding through the Coastal Wetlands grant.

2. Partners

The partner in the Tillamook Bay Protection and Restoration project is Tillamook County.

3. Process, Status, and Recommendation

The project has had major hurdles thrown at it. Local concerns about converting agricultural lands to wetland have resulted in additional alternatives being evaluated. Tillamook County and Oregon Solutions believe that an acceptable approach has been developed to balance the interests. Tillamook County is actively developing purchase agreements with the appropriate parties and will be poised to complete transactions in the coming year. Staff recommend going forward with the project with the understanding that the County will file an amended application for the state match when the project elements are finalized. Following review of the due diligence materials a the staff will present the project to the Board for a funding decision that would involve the federal and state matching funds at that time. This report does not request authority to spend the federal funds on the Tillamook project at this time.

C. Coquille Valley Wetlands Protection and Restoration

The federal grant for the Coquille Valley Acquisition is \$1,000,000 with a state match of \$720,000 of OWEB funds, \$115,000 of Oregon Department of Fish and Wildlife (ODFW) funds, and \$671,000 of local match for the acquisition of three properties and restoration in the Winter Lake area west of Coquille. The property will be transferred to ODFW to be managed as a wildlife management area.

1. Project Description

OWEB was awarded \$1 million to help acquire and restore approximately 622 acres of coastal wetlands in the Coquille Valley on the southern Oregon coast for permanent conservation, protection, and restoration by the ODFW. This project is the first phase of a larger initiative by ODFW to conserve and restore approximately 3,000 acres in the lowlands along the lower Coquille River encompassing some of the most productive wetland habitats on the Oregon Coast. The total cost of the first phase is \$2,506,000.

Protection and restoration of freshwater wetlands would complement downstream estuarine restoration efforts on Bandon National Wildlife Refuge. This project would protect nesting, feeding, and nursery areas for a diversity of at-risk fish and wildlife species, including Oregon Coast Coho salmon, Coastal cutthroat trout, Bald eagle, Purple martin, Willow flycatcher, Western meadowlark, and Townsend's big-eared bat. The Nature Conservancy is providing technical and financial support for this effort through

the Northwest Wildlife Conservation Initiative. The Winter Lake area is a diked area drained by the Beaver Slough Drainage District. ODFW is working with the landowners in the District to develop a fish friendly tidegate and to restore tidal inundation to the acquired properties. Restoration is to establish a shrub swamp habitat available for juvenile salmon and other fish.

2. Partners

The partners in the Coquille Valley Acquisition project are TNC, the Coquille Tribe, and ODFW.

3. Process, Status, and Recommendation

The partners are working on a restoration plan and will be prepared to conduct land transactions in the coming year. Staff recommend the Board delegate authority to the Director to develop grant agreements for the federal funds. A portion of the federal funds are programmed for restoration actions that may precede land acquisition. Funding of state matching funds and the federal acquisition funds will be requested upon completion of due diligence review. The staff do not request state match funding at this time.

IV. Deferred Acquisition Applications

Two previously deferred land acquisition applications are ready for Board action. One of the properties is part of a Coastal Wetlands funded project; the other was submitted during the regular grant cycle.

A. Miami Coastal Wetlands Grant (Application #211-114)

One of the four parcels proposed for funding associated with the Miami Coastal Wetlands Grant (see Section III.A. above) is ready for Board action of \$123,000 federal funds Miami Coastal Wetlands grant and \$82,000 Lottery funds for a total of \$205,000.. The Parks property is a fee title acquisition that has been acquired by TNC. (Attachment A)

1. Parks Property Acquisition Summary

The Parks property is 39.5 acres of floodplain of the Miami River immediately upstream of the Highway 101 bridge over the Miami River. The property is appraised at \$205,000. The property has been restored through the breaching of dikes and reconstruction of sinuous tidal channels, which was in 2009-2010. This restoration was conducted by the TEP and the site was visited by the Board during the September 2010 Board meeting in Garibaldi. Vegetation establishment work is still ongoing.

2. Ecological Benefits

The property is in the tidal portion of the Miami River. The Miami River is an important spawning and rearing stream for coho, Chinook and chum salmon. The availability of tidal channels and back water habitat during high flows for overwintering juvenile salmon is critical for the productivity of the Miami River. The restoration action conducted on the Parks property makes more than 39 acres available to sustain juvenile salmon. The property has the opportunity to reestablish intertidal marsh and swamp communities now that restoration has been completed.

The application states that the project does not conserve any OWEB rare or at-risk plant communities. However, restoration will result in the Sitka spruce swamp plant

community, which is an OWEB conservation priority, and which the application states has suffered the greatest percentage of loss of any coastal wetland plant community in Oregon. The application also states that the following priority species use the properties:

- Fish: chum salmon, coho salmon, steelhead, and Chinook salmon
- Amphibians: red-legged frog
- Birds: great-blue heron, and rufous hummingbird

The application states that project is also likely to benefit bald eagle, dunlin, band-tailed pigeon, willow flycatcher, and Pacific slope flycatcher.

The application states that the project has an important water quality component. The Miami River is affected by high water temperatures and bacteria concentrations, low dissolved oxygen levels, and high levels of fine sediments. The restored wetlands will help filter bacteria, sediment, and other contaminants from surface waters before they enter Tillamook Bay.

The North Coast Regional Review Team (RRT) found the project to have high ecological value. The RRT expressed support for the project, noting the importance of the Miami River for chum salmon. The RRT also commented that the properties are located at the river's freshwater-saltwater interface, and therefore are of additional importance to salmon. The RRT concluded that the proposed acquisitions build on the restoration that has been done on the properties to date, and would help to ensure both additional restoration and long-term restoration outcomes. The RRT acknowledged that the properties offer an important opportunity to restore and protect Sitka spruce swamp. The RRT concluded that the properties are threatened by development, and talked about past plans for condominium construction and associated dredging. The RRT felt that if the properties are not acquired for conservation, development proposals are likely to be reinitiated in the future.

3. Capacity to Sustain the Ecological Benefits

The application states that TNC owns and manages nine preserves on the Oregon Coast, has a staff of three dedicated to coastal and marine work, and is currently adding an additional position to the coastal program. However, the application seems to imply that just two of the coastal staff cover the North Coast. The application states that TNC will work closely with the TEP to complete the restoration. TEP has significant experience in restoring wetlands in the Tillamook Bay watershed. The application states that long-term management funding has not yet been identified, but TNC has plans to fundraise for an endowment soon.

4. Educational Benefits

The application states that the project has already begun having educational benefits. Students have received grants to conduct water quality monitoring at the properties and document pre-restoration channel conditions. The application states that TEP will continue to bring students and volunteers to the properties to further educate the public about the value of estuaries. Signage has been posted along Highway 101, which bisects the properties. The project partners will host community tours. The North Coast RRT concluded that the application has high educational value because they are highly visible

to travelers on Highway 101 and conveniently situated for use by school groups and conservation organizations.

5. Project Support and Community Effects

The application states that the economic and social effects of the acquisitions will be minimal because the properties have not been grazed or farmed, or otherwise used for production in many years. Current annual property taxes total approximately \$1011. TNC considers payment in-lieu of taxes if public lands exceed 50% of the property in a given county. More than 62% of Tillamook County lands are public lands, thus the properties qualify for TNC payments in-lieu of taxes. TNC will pay in-lieu property taxes. The project has been supported by the Tillamook County Commissioners, TEP, and a number of community groups in Tillamook County.

6. Financial and Legal Terms

The Coastal Wetlands grant will cover most of the costs (60 percent) with OWEB Lottery Funds covering the remainder (40 percent).

a. Property Title

Review of the property's title revealed several easements, one of which was for a utility line across the property that had been removed during the restoration phase. The holder of the easement chose not to extinguish the easement. Based on conversations with the Tillamook Peoples Utility District and their representations about the reasons they do not wish to remove the easement, staff has concluded that the risk to the conservation values is slight. The rest of the easements pose minimal threat to the property's conservation values.

b. Environmental Site Assessment

The environmental site assessment (ESA) did not identify evidence of potential adverse environmental impact on the property, and concluded that no further environmental assessment of the property is warranted. The Department of Environmental Quality's review of the report did not identify any recognized environmental conditions on the property.

c. Other Due Diligence Results

Review of the purchase option agreement did not reveal risks to an OWEB conservation investment in the property. The option did not require the landowner to make a donation to TNC or a third party. TNC has agreed to OWEB's standard conservation easement for the property with several minor alternation requests. The easement has conditions that satisfy the requirements of the U.S. Fish and Wildlife Service to protect the federal funds.

7. Recommendation

In January 2011, the Land Acquisition Subcommittee directed staff to proceed with a due diligence review because the project is an important opportunity to protect restored tidal wetlands at the freshwater-to-saltwater transition zone of the Miami River in conjunction with four other properties. The Subcommittee and RRT determined that the project has high ecological and educational value, and that the partnership has the ability to effectively implement the restoration.

B. Dooher Wetlands Acquisition (Project #212-107)

Another application for a project located in the Tillamook estuary is ready for Board action. The Dooher property application was submitted by TNC through the regular grant cycle in April of 2011. The Dooher property is a fee acquisition project, located along the Kilchis River that has been acquired by TNC. (Attachment B)

1. Dooher Property Acquisition Summary

TNC requests \$405,000 in reimbursement from Lottery Funds for its purchase of a 66-acre former dairy farm on the Lower Kilchis River in Tillamook County. TNC purchased the property for \$537,150 in November 2010, to restore it to tidally influenced wetlands. This application is a resubmission of application #211-104, which TNC withdrew because the Acquisitions Subcommittee did not recommend it for due diligence review due to workload and the unresolved restoration opportunity. Subsequently, OWEB funded a Technical Assistance grant and TNC has completed a restoration plan and purchased the property in the period between the two application deadlines.

2. Ecological Benefits

The property borders the Kilchis River and Stasek Slough. The application states that upon restoration, three miles of waterways will abut the property. The property was previously diked, ditched, and tide-gated to create a pasture suitable for grazing cows. The application states that the property will be restored to three acres of intertidal salt marsh, 10 acres of lowland nonlinear forested wetlands, 41 acres of tidally influenced freshwater wetlands, and 10 acres of lowland riparian woodland and shrubland.

The application indicates that the property does not currently contain at-risk plant communities, but that the project will complement Squeedunk Slough, which is located directly across the Kilchis River from the property. The application states that Squeedunk Slough is one of the largest remaining Sitka spruce swamps in the entire Tillamook basin.

The application states that the property, upon restoration, will benefit the following priority species: chum salmon, coho salmon, steelhead, bald eagle, great-blue heron, band-tailed pigeon, dunlin, Pacific slope flycatcher, rufous hummingbird, willow flycatcher, and northern red-legged frog.

The RRT stated that the property presents an excellent opportunity to reconnect Stasek Slough to the Kilchis River, thereby enhancing the slough's degraded water quality and increasing important estuarine habitat for salmonids. The RRT also stated that the property presents an important opportunity to restore Sitka spruce tidal swamp for the benefit of priority species such as great-blue heron. Restoring Sitka spruce swamp, an especially rare wetland type, will build on the ecological benefits of Squeedunk Slough. The RRT agreed that the swamp restoration will be a valuable learning experience, both for TNC and its partners, and for neighboring landowners with whom TNC is committed to interacting in a positive manner. The RRT stated that it will be important for TNC to control invasive plants at the property. The RRT felt that TNC has the capacity to restore the property and successfully engage neighboring landowners, which could result in a showcase project that will augment the tidal wetland restoration work that TNC and TEP are currently conducting in the Miami River estuary.

a. Property Title

The Department of Justice and staff review have not identified any title issues that would affect the planned restoration to achieve conservation values on the property. OWEB and TNC have agreed, through the restoration design process, to consider whether modifications to the dike maintenance agreement are needed to better protect both the restoration activities and neighboring property.

b. Environmental Site Assessment

The ESA did not identify evidence of potential adverse environmental impact on the property, and concluded that no further environmental assessment of the property is warranted. The Department of Environmental Quality’s review of the report did not identify any recognized environmental conditions on the property.

c. Other Due Diligence Results

Review of the purchase option agreement did not reveal risks to an OWEB conservation investment in the property. The option did not require the landowner to make a donation to TNC or a third party. TNC has agreed to OWEB’s standard conservation easement for the property; the required habitat documentation will be included in the easement.

7. Recommendation

In August 2011, the Land Acquisitions Subcommittee directed staff to proceed with a due diligence review because the project is an important opportunity to restore tidal wetlands at the freshwater-to-saltwater transition zone of the Trask River. The Subcommittee and RRT determined that the project has high ecological and educational value, and that the Partnership has the ability to effectively implement the proposed restoration actions.

V. Summary of Currently Proposed Projects

The table below provides a funding summary for all projects identified above.

Project Name	Coastal Wetland Funds	OWEB Lottery Fund Match	Other Match	Total
Miami R Estuary Acquisition	\$317,700	\$150,000	\$100,000	\$567,700
Coquille Valley Wetlands Protection and Restoration	\$1,000,000	\$720,000	\$786,000	\$2,506,000
Parks Property Acquisition-Miami	\$123,000	\$82,000	*	\$205,000
Dooher Wetland Acquisition	N/A	\$405,000	\$184,035.	\$589,035

* Additional match may be provided on closing

VI. Staff Recommendation

Staff recommend the Board:

- A. Delegate to the Director the authority to enter into the appropriate grant agreements for the \$1,317,700 in USFWS funds for the Coquille and Miami projects to accomplish the acquisition and restoration as identified in the 2010 federal grant applications described in Section III of this report. The delegation of authority is conditioned on the