

ANALYSIS

Item 34: Department of State Lands Climate Ready Coasts - Triangle and Deal

Analyst: Katie Bannikov

Request: Approve the submission of a federal grant application to the National Oceanic and Atmospheric Administration in the amount of \$1,168,000 to acquire 113 acres of wetland and upland habitat from Coos County.

Analysis: On June 17, 2024, the National Oceanic and Atmospheric Administration (NOAA) Office for Coastal Management released a grant notice for the Habitat Protection and Restoration Bipartisan Infrastructure Law competition. The program seeks to enhance coastal habitat resiliency by awarding approximately \$14 million to the National Estuarine Research Reserves System (NERRS) for coastal habitat restoration efforts and the acquisition of property or conservation easements leading to ecological habitat restoration.

Each applicant is eligible to receive up to \$4 million with no state funding match requirement. Those interested in applying needed to send a letter of intent to NOAA outlining a proposal for review and consideration by August 15, 2024. On behalf of the South Slough Reserve, the Department of State Lands (DSL) submitted a letter. NOAA reviewed the letters, and on October 3, 2024, NOAA invited DSL to apply for the grant by the January 9, 2025, application deadline.

The South Slough Reserve is nearly 7,000 acres of natural habitat in Coos County, federally designated as a National Estuarine Research Reserve. DSL manages Reserve lands in partnership with NOAA for long-term research, ecosystem conservation, and educational opportunities. NOAA provides funding and technical support to the state, and DSL provides the daily management.

DSL is requesting authorization to apply for a \$1,168,000 grant to add 54 acres of wetland and 59 acres of upland forest to the South Slough Reserve. There are two parcels, 100 acres (Deal) adjacent to the southern boundary and 13 acres (Triangle) adjacent to the western boundary of the Reserve. Both parcels are currently owned by Coos County and operated as part of the county forestry program for timber production. However, according to the agency in discussion with the county, due to lowland terrain and waterflows, the property has not been profitable for timber harvest. The agency has been in contact with the county for several years about acquiring this land to improve the health of the Winchester Creek drainage area, which is one of the last salmonid spawning grounds in the Reserve.

DSL intends to buy the land parcels, at fair market value, based on an independent appraisal value and would deed the property as special stewardship lands under the DSL Real Property Asset Management Plan. Special stewardship lands are non-producing and managed as natural habitats for threatened and endangered species, riparian and aquatic habitat conservation, or visual landscape. Due diligence, appraisal fees, closing costs, and purchase price would be funded from the grant, if awarded. Coos County would remove all buildings and structures from the land prior to transfer of the property. According to DSL, ongoing maintenance costs for the property are anticipated to be minimal and a restoration plan for ecological benefit would take approximately five years and likely be funded through NOAA.

If authorized to apply for the grant, DSL intends to submit a full proposal and grant application by the January 9, 2025, deadline. If awarded, DSL will return to the Legislature to request additional Federal Funds expenditure limitation for the grant, which would become available on August 1, 2025. DSL would also need to seek final approval to purchase the parcels from the State Land Board.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board approve the request.

Request: Authorization to apply for a grant of \$1,168,000 from the National Oceanic and Atmospheric Administration for a South Slough Reserve wetland acquisition.

Recommendation: Approve the request.

Discussion: The Department of State Lands (DSL) is requesting approval to submit an application to the National Oceanic and Atmospheric Administration (NOAA) for a grant to acquire 113 acres of wetland/upland habitat.

The South Slough National Estuarine Research Reserve currently manages nearly 7,000 acres on the southern Oregon coast. The proposed acquisition is made of two separate parcels, including one 100-acre wetland/upland parcel on the southern boundary of the reserve and a 13-acre parcel on upland habitat on the western boundary of the reserve. The purchase agreement with Coos County includes the removal of all structures on the property prior to acquisition by DSL. The property would then become a Common School Fund asset and would be managed for protected coho salmon spawning grounds.

The federal notice of funding was provided on June 17, 2024, and the application is due on January 9, 2025. The grant has no matching requirements. Funds will be available in August 2025. If awarded, DSL will return to a future legislative meeting to request a Federal Funds expenditure limitation increase.



Oregon

Tina Kotek, Governor

Department of State Lands

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Charleston, Oregon 97420
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www.oregon.gov/dsl/ss

State Land Board

Tina Kotek
Governor

November 4, 2024

LaVonne Griffin-Valade
Secretary of State

Senator Rob Wagner, Co-Chair
Representative Julie Fahey, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Tobias Read
State Treasurer

Dear Co-Chairs:

Nature of the Request

The Oregon Department of State Lands (DSL) and the South Slough National Estuarine Research Reserve (Reserve) requests approval to apply for \$1,168,000 in federal funds from the National Oceanic and Atmospheric Administration (NOAA) through its Bipartisan Infrastructure Law (BIL) Climate Ready Coasts funding opportunity for Federal Fiscal Years 2025 through 2027. The grant will allow the Reserve to acquire 113 acres of wetland/upland habitat.

Agency Action

The South Slough Reserve manages nearly 7,000 acres of natural areas along the Coos estuary on the south coast of Oregon. The Reserve was designated in 1974 as the first unit of the National Estuarine Research Reserve System (NERRS), a network of estuary habitats protected and managed for the purposes of long-term research, education, and coastal stewardship.

NOAA's BIL Climate Ready Coasts funding opportunity provides federal funding opportunities to the NERRS with the objective of increasing resilience through landscape-scale habitat restoration in coastal ecosystems nationwide and promote coastal resilience in underserved coastal communities.

The Federal funding notice was posted in Grants.gov on June 17, 2024, with letters of intent due on August 15, 2024. The Reserve was invited to submit a full grant proposal on October 3, 2024, with a submission deadline of January 9, 2025. If awarded the grant, funds would be available starting August 1, 2025. There is no match requirement for this funding.

The proposed acquisition includes two separate parcels: a 100-acre wetland/upland parcel (Deal) adjacent to the southern boundary of the Reserve and a 13-acre parcel of upland habitat (Triangle) adjacent to the western boundary of the Reserve. Acquiring these two parcels will

support the primary goal of protecting in perpetuity the waters and habitats with and adjacent to the Reserve that are currently being managed for timber production. Protecting these parcels will in turn protect the wetlands and estuarine waters that flow to and from Winchester Creek, which is the primary spawning grounds for coho salmon in the South Slough. The Deal/Triangle Acquisition Project proposes acquiring the two above-mentioned parcels that are in the Coos Bay South Slough watershed and are currently owned by Coos County. The parcels are part of the Coos County Forestry Program and are managed forest lands for timber production on a 30-year rotation.

With millions of dollars recently becoming available to the National Estuarine Research Reserve System (NERRS) through the Bipartisan Infrastructure Law (BIL formerly called the Infrastructure Investment and Jobs Act, or IIJA), the Reserve is in a favorable position to receive Federal Funds for this acquisition. In 2022, the Reserve partnered with Wild Rivers Land Trust to receive capacity-building funding from NOAA through the BIL for due diligence activities related to this acquisition, and to develop and submit this grant proposal to the NOAA-NERRS-BIL competitive funding program for the purchase of the property.

Action Requested

DSL requests approval to apply for \$1,168,000 in federal funds from the National Oceanic and Atmospheric Administration's BIL. If this grant is awarded, DSL will return to the legislature to request a Federal Funds expenditure limitation increase.

Legislation Affected

None

Thank you for your interest and assistance. If you have any questions, please contact Jean Straight at 503-689-3957.

Sincerely,

Vicki L. Walker
Director

Cc: Amanda Beitel, Legislative Fiscal Officer
Kate Nass, Chief Financial Officer
Katie Bannikov, Legislative Fiscal Office
Sione Filimoehala, DAS Chief Financial Office
Jean Straight, Deputy Director – Administration
Patricia Fox, Reserve Manager

Attachment: Coos County Deal and Triangle Acquisition