

August 29, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Tom Shafer, North Coast Regional Program Representative

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 1, North Coast
September 18-19, 2007 OWEB Board Meeting**

I. Introduction

This staff report describes the North Coast Regional Review Team recommendations, regional issues, the land acquisition application, and staff recommendations for funding.

II. Background

The North Coast Region received ten Technical Assistance applications requesting \$313,998, eight Restoration applications requesting \$1,824,245, and one Land Acquisition application requesting \$180,000. The North Coast Regional Review Team (RRT) met at Rockaway Beach City Hall on June 25, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The RRT recommended seven Technical Assistance applications for \$215,854, six Restoration applications for \$432,819 and found that the proposed Acquisition had excellent ecological value and met at least five of the conservation principles for funding.

IV. Regional Issues

The RRT participated fully in field visits of the proposed projects. Their participation and contributions at the site visits resulted in an opportunity to adjust projects to better meet review considerations. As a result, the application to alter the Devils Lake Road to allow wetland flow and stream restoration (208-1005) was discussed with the county to encourage an application that would be more competitive in the future. It was also determined that the LIDAR survey proposed for the Salmon River Estuary (208-1001) could be expanded to include the lower reaches of Rock Creek/Devil’s Lake and provide an important tool for use in the development of a comprehensive restoration application that would include the county road issues.

V. Land Acquisition Application

Shangrila Creek Wetlands (208-103)

The North Coast Land Conservancy (NCLC) is requesting \$180,000 (\$240,000 total project cost) to purchase 60 acres along Shangrila Creek in Seaside. This acquisition would add to previous purchases of the Neawanna Wetland Reserve, a planned effort begun by the community in 1992 aimed at protecting the Necanicum Estuary. To date, over 100 acres in the estuary system and tributary streams have been acquired and protected, some with the participation of the Governor's Watershed Enhancement Board.

1. Ecological Benefits

Nearly all of the 60 acres are priority ecological systems including inter-tidal salt marsh (10 acres), freshwater marsh and aquatic bed (10 acres), Sitka spruce forest (20 acres) and tidally-influenced freshwater wetlands (16 acres). The property contains approximately one mile of Shangrila Creek, a tributary to the Necanicum River estuary. Priority species documented in the sub-basin include Coho salmon, red-legged frogs, Rufous hummingbirds and willow flycatchers.

The RRT evaluated the project for ecological merit. The reviewers confirmed that most of the acreage on the site was represented by one or more of the priority ecological systems. They thought that the wetland complex provided habitat for a variety of species. Shangrila Creek is noted as one of the highest Coho producers in the Necanicum drainage. In addition to providing habitat for a variety of species, the site has high water quality benefits. Due to its position in the landscape, the site provides a natural retention and filtration function for the area.

The reviewers agreed that the project met five of the conservation principles in OWEB's administrative rules: 1) protecting a large, intact area; 2) securing a transition area, protecting it from development; 3) protecting a site with exceptional biodiversity; 4) improving connectivity of habitat; and 5) completing an existing network of protected sites in the basin.

A number of the review team members toured the site and recognized that there were some invasive plant species issues as well as human issues associated with illegal camping adjacent to the property. They also understood that an adjacent property was tentatively planned for a low-income housing project and they discussed the potential for stormwater runoff issues from such a development. They also discussed the potential need to fence the western edge of the property to keep from encouraging elk, deer and other wildlife from using the property to access and cross Highway 101. They recommend that the management plan address the issues of invasive species, public access, wildlife egress, and storm water runoff from future development of surrounding properties.

2. Capacity to Sustain the Ecological Benefits

NCLC would hold title to the property and OWEB would hold a conservation easement to protect the investment in the project. The NCLC has been a land trust in Clatsop and Tillamook Counties for 20 years and currently holds 26 resource properties managed for

ecological and cultural values. They have recently established a full time land steward position.

The NCLC has a policy to establish an endowment for its new acquisitions. The source of the endowment for this project is a combination of a proposed donation from the seller (\$20,000) and future fundraising. The site is in excellent ecological condition relative to the urban wetlands in Seaside. The NCLC does not anticipate a need for significant additional money to conduct extensive restoration activities.

3. Educational Benefits

Direct public access is not anticipated for this property. However, the property will be incorporated into the community natural history education program. The reviewers were familiar with the program and felt the parcel would be a valuable addition to the effort. The Parks Master Plan for the City of Seaside includes the Neawanna Natural History Park, which is adjacent to and north of the site. The Natural History Park includes a trail that is located near the northern boundary of the proposed acquisition parcel. The proximity of this site to the city's natural history park provides a positive education opportunity, although the reviewers thought public access to the site should be limited in order to protect the ecological benefits. The reviewers thought the project had educational merit.

4. Partners, Project Support and Community Effects

Partners in the Neawanna Wetland Reserve include OWEB, U.S. Fish and Wildlife Service, the City of Seaside, the Necanicum Watershed Council, and Columbia River Estuary Study Taskforce (CREST). The Necanicum Watershed Council will provide support for habitat protection, restoration, and fundraising. CREST will provide technical support.

Letters of support were received from Celeta Research Associates, North Coast Watershed Association, City of Seaside, and the Necanicum Watershed Council.

The property is zoned Lake and Wetland. Land uses in the surrounding area include forestry, light industrial, commercial and natural areas. The application suggests that taxes for comparable wetland areas are about \$365 per year. The NCLC anticipates applying for tax exempt status.

5. Legal and Financial Terms

A conservation easement held by OWEB will prohibit development, commercial activities and construction on the property. The applicant proposes to use OWEB's easement template. Other due diligence materials, such as the title report and option agreement have not yet been received or reviewed.

6. Conclusion

The North Coast RRT concluded that the project has high ecological and educational benefit and meets five of the adopted conservation principles. The Board Subcommittee and staff concur with this assessment. The Board Subcommittee requested due diligence review of this project in May of 2007. Due diligence materials have not been received.

Staff and the Board Subcommittee recommend the Board defer consideration of this request pending review of due diligence materials.

VI. Summary

Staff recommend funding for six of the Technical Assistance applications totaling \$200,514. One of the remaining applications (208-1001) has been completed with funding from the U.S. Forest Service and another application not recommended for funding at this time (208-1013, Fivemile/Bell Creek) offers an exciting potential for a future application.

All six Restoration applications recommended by the RRT are recommended by staff for funding. All applications either address riparian or instream habitat conditions. Two of the Restoration applications recommended for funding (208-1002 and 208-1003) had important project components that were not recommended due to technical concerns. The elimination of those components lowered the overall application budgets significantly.

Attachment A shows the proposals, funding amounts, and priority rankings recommended as “do fund” to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff “do fund” recommendations to the Board. For some “do fund” projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

VII. Staff Recommendation

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

- A. Projects Recommended for Funding and Deferral
- B. Projects Not Recommended for Funding

**Region 1 – North Coast
Technical Assistance Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
208-1008	Miami Wetlands Enhancement Project - Phase II	49,192	1
208-1004	Five Rivers Passage Project	50,000	2
208-1006	Tillamook River Limiting Factors Analysis	31,295	3
208-1015	Hydrological Evaluation of Circle Creek Habitat	38,218	4
208-1011	Upper Nehalem - Riparian Restoration - Landowner Recruit	11,404	5
208-1001	Salmon River Estuary LIDAR Survey	15,340	6
208-1007	Netarts Bay Watershed Limiting Factors Analysis	20,405	7
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		\$ 215,854	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		\$ 200,514	

**Region 1 – North Coast
Restoration Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
208-1009	2007-2009 North Coast Log Salvage Fund		40,000	40,000	1
208-1010	Backyard Planting Program - Year 5		38,000	38,000	2
208-1002	Big Creek Restoration & Enhancement *		188,909	188,909	3
208-1003	Big Elk and Feagles Creek Riparian Restoration *		100,000	100,000	4
208-1012	Jewell Meadows Riparian Restoration Phase II		29,046	29,046	5
208-1014	Necanicum Riparian Restoration & Tree Release	3,000	33,864	36,864	6
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$ 3,000	\$ 429,819	\$ 432,819	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$ 3,000	\$ 429,819	\$ 432,819	

*Listed Amount Reflects Recommended Reduction

**Region 1 – North Coast
Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff**

Project #	Project Name	Amount
208-103	Shangrila Creek Wetlands	\$180,000

**Region 1 – North Coast
 Technical Assistance Projects Not Recommended for Funding by the RRT and OWEB Staff
 April 23, 2007 Grant Cycle**

Project #	Project Name	Amount Requested
208-1000	Highway 101 Recharge Restoration Phase I	15,144
208-1013	Fivemile/Bell Whole Basin Restoration Plan	50,000
208-1016	Clatskanie River Cooperative Resource Management Plan	33,000

**Region 1 – North Coast
 Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
 April 23, 2007 Grant Cycle**

Project #	Project Name	Amount Requested
208-1005	Devils Lake Road Embankment Restoration	1,200,000
208-1017	Loomis Wetland Restoration	64,118