



# Oregon

Theodore R. Kulongoski, Governor

## Oregon Watershed Enhancement Board

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May 1, 2008

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Ken Bierly, Deputy Director  
Miriam Hulst, Oregon Plan Implementation Specialist

**SUBJECT: Agenda Item L: Coastal Wetlands Grants  
May 20-21, 2008 OWEB Board Meeting**

### I. Introduction

This staff report provides an update on the recent 2008 Coastal Wetlands Grant awards of approximately \$2.2 million to OWEB from the U.S. Fish and Wildlife Service (USFWS) to fund four coastal wetlands projects. Staff request Board authorization to enter into the appropriate grant agreements for the 2008 Coastal Wetlands Grant awards for the three remaining projects and request Board action to provide match funding for one of the three. Finally, the report describes potential OWEB proposals to submit to USFWS for the 2009 Coastal Wetlands Grant solicitation.

### II. 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 USFWS provides matching grants to states for acquisition, restoration, management or enhancement of coastal wetlands. To date, about \$183 million in grants has 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 million 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 \$6 million in federal funds for the implementation of coastal wetland acquisition and restoration in Oregon. Oregon was awarded a Coastal Wetlands grant in 1998 for the Neawanna wetland acquisition in Seaside (\$170,000). In 1999, OWEB was awarded grants for the Coos-Coquille wetland acquisition and restoration (\$820,000), Tillamook wetland acquisition (\$750,000), and Smith River estuarine restoration (\$138,875) projects. In 2003, OWEB was awarded grants for the acquisition of estuarine lands in the Yaquina River estuary (\$952,214) and Circle Creek wetlands (\$750,000) in the Seaside area.

In June of 2007, OWEB submitted four applications on behalf of our coastal partners for project funding under the Coastal Wetlands Grant Program. On January 9, 2008, the Secretary of the Interior announced the awards that included all four applications submitted by OWEB. Combined, the four federal grants total approximately \$2.2 million and require a total state match of just over \$1 million. At the March Board meeting, the Board awarded a \$232,614 to grant application #208-1040, Tamara Quays Dike Removal and Fish-Passage Culvert, and authorized OWEB to enter into grant agreements for the \$754,800 of federal funding for restoration activities in the Lower Salmon River.

Attachment A shows current Coastal Wetlands Grants in Oregon.

### **III. 2008 Coastal Wetlands Grants**

The following sections describe the remaining three 2008 Coastal Wetland Grant awards to Oregon, including the review process used and current status.

#### **A. Lint Slough Restoration**

The federal grant for Lint Slough Restoration is \$310,000 with a state match of \$265,000.

##### **1. Project Description**

Lint Slough in the Alsea Bay was altered significantly in the 1950s to rear juvenile fish. A fishway was created by dredging through salt marsh and rerouting Lint Slough channel through a salt marsh. In 2000, OWEB funded a technical evaluation of the project to restore the site to intertidal marsh and relocate the channel to its original location. During the summer of 2007 the first phase of restoration was completed. The grant will fund the remaining two phases of restoration.

##### **2. Partners**

The partners in the Lint Slough project are the Oregon Department of Fish and Wildlife and Mid-Coast Watersheds Council (MCWC).

##### **3. Process and Status**

A restoration grant application was submitted to OWEB staff and sent to the Region 1 Regional Review Team (RRT) for evaluation of the Lint Slough state match. The RRT recommended that the project be funded and identified that it was a high priority for restoration of aquatic habitat in the Alsea estuary. The RRT unanimously recommended the project go forward as proposed. OWEB staff have evaluated the RRT comments and recommend the project be funded with the condition that the abandoned water right associated with the facilities be surrendered and an in-stream right be applied for instead.

#### **B. Yaquina Acquisition**

The federal grant for the Yaquina Acquisition is \$95,725 with a state match of \$46,250.

##### **1. Project Description**

The Wetlands Conservancy (TWC) has identified a parcel of land that complements their previous acquisitions in the Yaquina Estuary. The property is 61 acres and the acquisition will protect high salt marsh in the Poole Slough area.

The Yaquina Estuary is unique in that nearly all the intertidal lands were deeded to competing railroads as an enticement for the construction of a railroad from Corvallis to Newport. The railroad was never built, and the tidelands were deeded to private parties. This grant will add to the conservation purchase of intertidal areas in the Yaquina Estuary.

## **2. Partners**

The partners in the Yaquina Acquisition project are TWC, Lincoln Soil and Water Conservation District (SWCD), MCWC, Pacific Forest Trust, Central Coast Land Conservancy (CCLC), and The Nature Conservancy (TNC).

## **3. Process and Status**

The Wetlands Conservancy has submitted a land acquisition application to OWEB for the state match component to the Yaquina Acquisition project. The Region 1 RRT members have reviewed the application for its ecological and educational benefits. The consensus of the RRT is that the project meets high priority North Coast ecological attributes of salt marsh and intertidal flats. The proposed acquisition ties to previous wetland acquisitions and adjacent protected uplands. The Board Acquisition Subcommittee was asked to review the application on April 10, 2008, based the land acquisition evaluation criteria, and the results of the RRT evaluation. They concluded that it should proceed to the due diligence review.

Staff recommend the Board authorize staff to enter into the federal grant agreement with TWC so that they may proceed with completing OWEB's due diligence requirements. When the due diligence materials have been submitted and reviewed, staff will return with a recommendation for the state match fund awards.

## **C. Alsea Bay Acquisition**

The Alsea Acquisition federal grant is \$997,350 with a state match of \$301,000.

### **1. Project Description**

TWC has identified a parcel of land that complements their previous acquisitions in the Alsea Estuary. The property is 223 acres and the project will allow the diked marsh area to be restored to intertidal function.

### **2. Partners**

The partners in the Alsea Bay Acquisition project are TWC, MCWC, private landowner, CCLC, TNC, and Lincoln SWCD.

### **3. Process and Status**

TWC has submitted a land acquisition application to OWEB for the state match component to the Alsea Bay Acquisition project. The Region 1 RRT reviewed the application for its ecological and educational benefits. The RRT identified that the application met the North Coast ecological priorities of diked marsh and low gradient tributary streams. The RRT also recognized that the project could lead to a significant restoration project. The Board Acquisition Subcommittee was asked to review the application on April 10, 2008, based the land acquisition evaluation criteria, and the

results of the RRT evaluation. They concluded that it should proceed to the due diligence review.

Staff recommend the Board authorize staff to enter into the federal grant agreement with TWC so that they may proceed with completing OWEB's due diligence requirements. When the due diligence materials have been submitted and reviewed, staff will return with a recommendation for the state match fund awards.

#### **IV. 2009 Coastal Wetlands Grant Applications**

Staff are working with local land conservation groups along the Oregon Coast to identify opportunities for estuarine resource protection. The objective is to identify opportunities to develop partnerships for land protection that have significant ecological value in terms of both estuarine and fresh water coastal wetlands. Staff propose to develop up to four specific federal grant applications for the Coastal Wetlands Grant program of the USFWS. The grant applications are due June 27, 2008, at the USFWS Regional Office in Portland.

To date, OWEB staff are working with four partners on four separate applications. The projects and partners are:

1. Nehalem Bay Acquisition, Lower Nehalem Community Trust
2. Siuslaw River (Duncan Island) Conservation Easement, McKenzie River Trust
3. New Lake Conservation Easement, The Nature Conservancy
4. Alsea Bay Acquisition, The Wetlands Conservancy

The total funding requested and state match amounts have not yet been determined. OWEB anticipates requesting at least \$3 million of federal funding, which would require a 25 percent state match of at least \$750,000. Staff recommend the Board authorize the Director to request Emergency Board approval in June to submit applications to the USFWS for the Coastal Wetlands Grant program. If successful, staff would request Board approval of match funding for these grants. Because OWEB won't be notified of its award until January of 2009, it is likely that the required state match could be allocated from the 2009-2011 biennium capital funds.

#### **V. Staff Recommendation**

Staff recommend the Board:

- A. Delegate to the Director the authority to enter into the appropriate grant agreements for the U.S. Fish and Wildlife Service 2008 Coastal Wetlands Grant funds, \$310,000 for Lint Slough Restoration, \$95,725 for Yaquina Acquisition, and \$997,350 for Alsea Bay Acquisition, to accomplish the three projects as identified in the federal grant applications.
- B. Authorize up to \$265,000 of capital funds for the state match for the Lint Slough Restoration application.
- C. Authorize the Director to request legislative Emergency Board approval to submit 2009 Coastal Wetlands Grant applications to the U.S. Fish and Wildlife Service.

#### Attachments

- A. National Coastal Wetlands Conservation Grants in Oregon