

August 21, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Wendy Hudson, Willamette Basin Regional Program Representative
Miriam Hulst, Acquisitions Specialist

**SUBJECT: Agenda Item L: OWEB Grant Award Recommendations
Region 3, Willamette Basin
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

This staff report describes the Willamette Basin Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 28 applications for a total request of about \$4.3 million, including \$1 million for one Acquisition application. The Willamette Basin Regional Review Team (RRT) recommended 10 Restoration and seven Technical Assistance applications for approximately \$1.7 million, and supported the one Acquisition application for Summer Creek located in the City of Tigard. Staff recommend nine applications for a total award of \$1,208,420: \$1,078,420 for Restoration and \$130,000 for Technical Assistance.

III. Regional Review Team

The Willamette Basin RRT met in Salem on June 30, 2009, to review applications. The RRT reviewed all Restoration and Technical Assistance applications for technical merit and gave a “do fund” or “no fund” recommendation to each. The RRT then prioritized the applications recommended for funding.

The Salmon River Aquatic Habitat Restoration Project (210-3005) was the top-ranked Restoration application. Located in a high-priority area in the Lower Columbia ESU (Evolutionarily Significant Unit), the project will increase pool habitat, side-channel habitat, and channel complexity on the Salmon River; and restore surface flow and channel complexity to side channel habitat. The reviewers saw significant benefits to federally listed spring Chinook, Coho, and winter steelhead, and noted that the project builds on past successes in the basin. The RRT recommended reducing the budget by \$62,088, by using gravel from the pools the applicant proposes to dig out of the streambed, instead of trucking it in from off site. The applicant has since confirmed this can be done and has submitted a revised budget.

The RRT also recommended a significant reduction to 210-3011, Calapooia River Reach 3 Restoration and Conservation, cutting \$15,400 in project management costs.

The RRT recommended moderate reductions for two applications: a reduction of \$7,464 to 210-3001, Mosby Creek Spring Chinook Re-establishment; and \$7,305 to 210-3019, Coyote Creek Upland Prairie and Oak Habitat Restoration.

For Technical Assistance applications, the reviewers recommended increasing funding for 210-3010 (Sturgeon Lake Restoration Action Plan) by \$10,000 for a literature search to help address the complex and constraining conditions at this site on Sauvie Island. Due to limited non-capital funding, staff recommend an increase of \$2,500 for this application, for a total award of \$42,500.

Due to limited non-capital funding, staff also recommend reductions of \$5,000 to 210-3018 (Clackamas River Off-Channel Rearing Design) and \$7,500 to 210-3007 (Lower & Middle Molalla River Action Plan) in order to allow funding further down the regional Technical Assistance priorities.

IV. Acquisitions

One land acquisition application was received from Region 3 this grant cycle. It is not ready for funding at this time, and is recommended for deferral.

A. Summer Creek Conservation Project (210-103)

The City of Tigard requests \$1 million to purchase 43 acres at the confluence of Summer and Fanno Creeks in Tigard. The property is currently owned by the Tigard-Tualatin School District, which intends to sell the property to fund school investments elsewhere in Tigard. The application states that the property contains a mix of freshwater emergent marsh, oak woodland, Western Oregon upland prairie and oak savanna, ponderosa pine woodland, riparian forests and shrublands, and forested wetlands. The property is being used as a park and an environmental education site. The application states that the property would continue to be used as a park if it is acquired by the city. The Acquisitions Subcommittee recommended staff proceed with a due diligence review of the project. Due diligence materials have not yet been received.

The RRT was generally supportive of the project, noting that the property is in a confluence area and contains floodplains and wetlands that attenuate storm flows. The RRT felt that the property is an unusually large open space for an urban setting, but nevertheless questioned some of the ecological claims made in the application. The RRT noted that the application does not indicate that any OWEB priority upland species will benefit from the project, yet more than half of the property is uplands. The RRT made a determination of medium ecological merit.

The RRT determined that the project has high educational merit because the neighboring school is currently using the property for educational activities, and its urban location gives the site greater educational potential.

Staff are in ongoing discussions with the City of Tigard and its partners to explore ways in which the project could be structured to best meet the priorities of the various parties involved in the transaction. Once due diligence materials have been received and the

materials have been reviewed and approved for legal and financial soundness, staff will consider the ecological merits of the project, its educational potential, and OWEB's budgetary constraints to develop a funding recommendation. Presently, staff recommend the Board defer consideration of the Summer Creek Conservation Project until the due diligence review is complete.

V. Staff Recommendations for Project Funding

A. Capital Applications

- *Restoration.* Due to limited capital funding, staff recommend funding six of the 10 applications recommended by the RRT, with budget changes for four of those applications, as described in Section III of this report.
- *Acquisition.* Staff recommend deferral for the Summer Creek Conservation Project (210-103).

B. Non-Capital Applications

- *Technical Assistance.* Due to limited non-capital funding, staff recommend funding only three of the seven applications recommended by the RRT, with budget changes to all three applications, as described in Section III of this report.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

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

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

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 3 - Willamette Basin
Technical Assistance Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-3018	Clackamas River Off-channel Rearing Desing Project*	45,000	1
210-3007	Lower & Middle Molalla River Action Plan*	42,500	2
210-3010	Sturgeon Lake Restoration Action Plan Development**	42,500	3
210-3013	Claggett, Pringle, and Mill Creeks Assessment & Restoration Plan	49,808	4
210-3008	MRWC Subbasin Targeted Landowner Recruitment	24,000	5
210-3021	Scappoose Bay Watershed Limiting Factors Analysis^	49,510	6
210-3026	Oak Creek Landowner Recruitment for Restoration	45,527	7
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$318,845	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$130,000	

*Listed Amount Reflects Recommended Reduction **Listed Amount Reflects Recommended Increase ^Fund with Conditions

Region 3 - Willamette Basin
Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff
April 20, 2009 Grant Cycle

Project #	Project Name	Total Amount
210-102	Summer Creek Conservation Project	1,000,000
Total		\$1,000,000

Region 3 - Willamette Basin
Restoration Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-3005	Salmon River Aquatic Habitat Restoration Project*	341,666		341,666	1
210-3023	Sandy River Delta Riparian Forest Restoration - Phase II	176,250		176,250	2
210-3011	Calapooia River Reach 3 Restoration and Conservation Projects*	236,180		236,180	3
210-3001	Mosby Creek Spring Chinook Re-establishment*	128,651		128,651	4
210-3000	Upper Johnson Creek Watershed Riparian Habitat Enhancement	53,100	918	54,018	5
210-3019	Coyote Creek Upland Prairie and Oak Habitat Restoration*	138,420	3,235	141,655	6
210-3016	Tickle Creek/Copher Culvert Replacement*^	48,072	520	48,592	7
210-3003	Abernethy Creek Restoration Project*	68,767	2,600	71,367	8
210-3017	Holcomb Creek/Herman Fish Passage*^	42,300		42,300	9
210-3020	Forest Park - Habitat Restoration	131,342	4,394	135,736	10
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,364,748	\$11,667	\$1,376,415	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,074,267	\$4,153	\$1,078,420	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 3 - Willamette Basin
Technical Assistance Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-3002	Beaver Creek Enhancement Project Phase 3	15,116
210-3009	Salemtowne Fish Passage Improvement	40,294
210-3014	Peckenpaugh Drainage Enhancement	35,442
210-3024	Clackamas Side Channel at Shoe Island	43,161

Region 3 - Willamette Basin
Restoration Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-3004	Mill Race Dam Removal	200,000
210-3006	Blair Creek Fish Passage Project	189,006
210-3012	Gales Creek Rippling Wates Restoration Project	162,093
210-3015	Whitaker Ponds Restoration Project	429,984
210-3022	Wolf Creek Culvert Replacement	147,310
210-3025	BRING Recycling Water Quality Demonstration Project	285,913