Estuary and Salmon Restoration Program Grant Proposal

Barnum Point Acquisition Island County, Washington



SUBMITTED BY:	The Nature Conservancy
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	Seattle, WA 98101

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DATE: October 19, 2010

PROJECT SUMMARY, TASKS AND TIMELINE

Barnum Point Acquisition

HWS Link: http://hwsconnect.ekosystem.us/project.aspx?sid=200&id=15561&stat=on

Project and Administrative Contacts for Proposal:

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Project Summary: The Nature Conservancy, in partnership with Island County, requests a \$1,050,000 grant from the Estuary and Salmon Restoration Program (ESRP) to purchase and permanently protect Barnum Point—123 acres of important feeder bluffs, tidelands and marine riparian habitat including 4,780 feet of natural shoreline. Building on more than a decade of conservation efforts by multiple partners in Port Susan Bay, acquisition of Barnum Point will directly benefit more than 7,100 acres already in conservation ownership by protecting important on-site habitats, including mature marine riparian forest (rare in Port Susan Bay), and ecological processes (e.g. sediment supply and transport) critical to the long-term integrity of the larger ecosystem.

The protection and management of this large area is the cornerstone of a landscape-scale effort to restore an ecologically functioning and resilient estuary ecosystem in northern Port Susan Bay and the Stillaguamish River delta. It is a collaborative effort that includes the active participation of a variety of local and regional organizations and agencies including The Nature Conservancy, Island County, WRIA 6 (Island County) and WRIA 5 (Stillaguamish) lead entities, Whidbey Camano Land Trust, Washington Department of Fish and Wildlife (WDFW), Stillaguamish Tribe and others. Conservation of this regionally significant ecosystem plays a critical role in the recovery of at risk fish and wildlife species, including salmonids listed under the Endangered Species Act and migratory shorebirds and waterfowl.

This proposal describes the overall project to acquire and permanently protect approximately 123 acres of tidelands, bluffs and forested uplands, 0.9 miles of intact shoreline, and associated ecological processes at Barnum Point and requests funding to complete the first of two acquisition phases. Island County will be the ultimate landowner and will manage the site as a passive-use County Park designed to preserve the ecological values of the site while allowing compatible opportunities for human enjoyment of the natural features. Approximate project phases, subject to final landowner negotiation, are:

- Phase 1 (proposed for funding): Fee acquisition of 31 acres of riparian and upland habitat, 18 acres of tidelands and 0.5 miles of shoreline on the eastern portion of Barnum Point.
- Phase 2 (future phase): Fee acquisition of 56 acres of riparian and upland habitat, 18 acres of tidelands and 0.4 miles of shoreline on the south and west portion of Barnum Point.
- Phase 3 (outside scope of this proposal): Low-impact park development to improve public access.

Non-Mitigation Statement: \checkmark By checking this box, you affirm this project is not associated with a mitigation or other compensatory restoration project, system, or bank, either through a shared footprint, adjacency, design, financing, or other mechanisms.

Phase 1 Tasks	Phase	Notes	Status	Target Date
Identify specific parcels for acquisition and protection goals	Parcel Identification	Target parcels identified in cooperation with Island County, negotiation underway to define Phase boundaries	ln progress	12/31/10
Complete landowner	Negotiation	Negotiations underway, title	Proposed	4/30/11

Tasks and Timeline: See budget for Phase 2 tasks and timeline and additional details.

negotiations and pre- agreement diligence		commitment and opinion of value obtained.	ESRP	
Acquire property and provide final acquisition documentation	Closing	Closing planned for April 2011, final documents submitted by Sept. 2011	Proposed ESRP	9/30/11
Complete stewardship and maintenance planning	Implementation	To be completed by The Nature Conservancy and Island County	Proposed ESRP	12/31/11
Deliver baseline monitoring report	Evaluation	See Section 2.d.	Proposed ESRP	3/31/12

EVALUATION CRITERIA

1) ECOLOGICAL IMPORTANCE (30 points)

1a) Priority Habitats: Situated in western Port Susan Bay and directly across from the mouth of the Stillaguamish River, Barnum Point is integral to the larger Port Susan Bay system both for its high-quality on-site habitats and for the ecological processes that maintain habitat throughout the Bay. The Nature Conservancy's *Willamette Valley – Puget Trough – Georgia Basin Ecoregional Assessment* (2004) identifies Port Susan Bay/Stillaguamish River Delta as a "Priority Conservation Area" because of its exceptional and regionally important ecological values. Priority Conservation Areas are areas of biodiversity concentration that contain target species, communities and ecosystems considered the highest priorities for conservation. Barnum Point supports the following functional ecosystem processes and habitats:

- 1. Nearshore sediment delivery and transport (functions: long-term sediment supply to a large drift cell including two pocket estuaries enclosed by spits, spawning and shellfish substrate, beach nourishment to the site and northern Port Susan Bay). 0.9 miles of intact shoreline will be protected, including the largest extent of exceptional feeder bluff in Port Susan Bay (approximately half in each phase).
- 2. Tidelands, including the mouth of Triangle Cove, a large pocket estuary (functions: forage fish spawning, shellfish production, shorebird/waterfowl foraging, juvenile salmonid foraging, eelgrass production). 18 acres of tidelands will be protected in each phase, for a total of 36 acres.
- 3. Marine riparian forests (functions: pollution control, fish and wildlife habitat, soil stability, sediment control, beach hydrology, microclimate, shade, moisture retention and moderation of rainfall, inputs of nutrients, organic matter and large woody debris to the marine ecosystem, insect prey for salmonids, nesting, perching and roosting sites for bald eagles and other raptors) (Brennan 2007). Approximately 35 acres of marine riparian forest will be protected, 26 acres in Phase 1.

The project implements protection recommendations outlined in a number of local and regional species recovery, conservation, and management plans. Protection of Barnum Point addresses the need to protect spawning habitat for forage fish; nearshore habitat for outmigrating juvenile salmonids; and foraging, rearing, and migration habitat for all eight salmonids that spawn in the Stillaguamish and Skagit Rivers, including federally threatened Puget Sound Chinook and Puget Sound/Strait of Georgia coho, a federal species of concern, as well as federally threatened Puget Sound bull trout and Puget Sound Steelhead trout. It is consistent with Goal 1 of the *WRIA 6 Multi-species Salmon Recovery Plan*'s 10-year implementation plan which calls for the protection, enhancement, and restoration of ecosystem processes and salmon habitat, and the protection of existing high-quality nearshore habitats (Island County Water Resources Advisory Committee 2005). It is specifically identified as a priority in the WRIA 6 3-year implementation plan (April 2010). The project clearly aligns with specific recommendations in *Regional Nearshore and Marine Aspects of Salmon Recovery in Puget Sound* (Puget Sound Action Team 2005). It implements recommended protection actions for Whidbey Basin (Table 6-12) (e.g. "Protect all deltas, shoreline and pocket estuaries within the entire basin from further degredation..."), fulfills objectives under the goal of maintaining nearshore and marine habitats and ecosystem processes (7.1), and implements strategy 7.2.1 to "protect functioning habitat and high quality water commensurate with the needs of viable salmon

and bull trout populations." The project helps to implement Priority A of the Action Agenda (PSP 2008) by protecting intact ecosystem processes, structures and functions. Near-term Action A.2(1) is to "protect high-value habitat and land at immediate risk of conversion as identified through existing processes such as the salmon recovery plans and others."

Port Susan Bay is especially important for migratory birds. The area is a recommended site of regional importance in the Western Hemisphere Shorebird Preserve Network (Drut and Buchannon, 2000), an Audubon Important Bird Area for Washington, and "First Step Area" and a high national priority in the Pacific Coast Joint Venture Strategic Plan. This project protects tidelands at the mouth of Triangle Cove, where migratory waterfowl congregate to feed along the intertidal channel through which water fills and drains the pocket estuary.

Most of the eastern Barnum Point shoreline hosts mature 50-80 year old riparian forest vegetation, consisting primarily of Douglas fir and Pacific madrone with a few older trees. Riparian forest plays important ecological role because of its position in the transition zone between terrestrial and aquatic habitats. Positioned next to water and with high structural complexity, marine riparian areas tend to support greater diversity in wildlife and birds than neighboring habitats alone. Wildlife use these areas for migration, feeding, watering, roosting and nesting. The riparian forest provides important habitat structure for birds, in particular raptors which perch on the many snags and wind-pruned tree tops. Two bald eagle nests are documented on the site.

A study of Island County's feeder bluffs and accretion shoreforms identified protection of the "exceptional" feeder bluff at Barnum Point and the lagoon inlet to Triangle Cove as 2 of only 10 conservation potential sites on Camano Island (Johannessen and Chase 2005). Protecting the intact habitats and habitat-forming processes at Barnum Point, including a major sediment source, strongly aligns with an overarching principle stated in *Principles for Strategic Conservation and Restoration in Puget Sound* (Grenier 2010): "conserving intact ecosystems is the most effective method to maintain ecosystem functioning." The project implements conservation actions recommended in PSNERP's *Strategic Needs Assessment Report* (2010) to "conserve intact or minimally degraded sediment input, sediment transport, and sediment accretion processes" and to "conserve relatively intact embayment shoreforms." Camano Island's eastern shoreline, including the project site, is rated "less degraded" in this report (Schlenger, et al. 2010). The *Puget Sound Nearshore Conservation Strategies Report* (Cereghino et al. 2010 draft) identifies Barnum Point as a "conservation" site for implementing a beach strategy (primary target process is sediment supply) and a "high potential" site for the barrier embayment strategy (primary target process are sediment supply, sediment transport and tidal flow).

1b) Habitat Linkages: Barnum Point maintains habitat linkages critical to nearshore-dependant species on several levels. The habitats of Barnum Point are essentially linked to the larger ecosystems of Port Susan Bay and the Greater Skagit and Stillaguamish River Deltas, including more than 7,100 acres of estuarine and nearshore habitat in conservation ownership (Attachment 2). Barnum Point is located in western Port Susan Bay – a large marine water body with a north/south orientation bounded by Camano Island on the west and northwest and the mainland on the northeast and east. The Stillaguamish River enters the northeast bay and creates a deltaic estuary with intertidal habitats across the northern extent of the bay. Barnum Point is situated within the estuary proper (3.5 km directly across from the river's mouth) and is therefore influenced by a combination of riverine, marine, and terrestrial ecological processes.

Barnum Point is in a distinctive landscape location, providing linkages between upland sediment sources, riparian forests and nearshore drift cells. Nearshore drift carries sediment from Barnum Point west along the shoreline to Triangle Cove. The very large, active feeder bluff is the major sediment source for the large drift cell that begins on this property and continues north approximately 4.2 miles, ending in Livingston Bay (Attachment 5). As a result, this bluff is the primary source of sediment feeding lverson and Livingston Bay Spits which both protect important pocket estuaries. Long-term maintenance and evolution of the pocket estuary marshes and channel systems depends on the integrity of the sediment supply to the spits. Sediment from the feeder bluffs enriches and maintains the shallow water habitat required for eelgrass and shellfish beds, while providing spawning substrate for forage fish and habitat for juvenile salmonids and migratory waterbirds.

Barnum Point and Triangle Cove are used heavily by juvenile salmon originating from the Stillaguamish River. Small fish are pushed on the ebbing tide across the bay from the river towards Triangle Cove. As a result, the Stillaguamish Tribe found particularly high densities of salmon in Triangle Cove and along the east beach of Barnum Point. In sampling during 2005-2007, they found annual peaks ranging from 500 - 1,350 threatened Chinook juveniles per hectare on the Barnum Point beach (Stillaguamish Tribe 2009). Nearshore habitats and pocket estuaries are well documented as critical rearing and migratory habitat for juvenile salmonids. The tidal prism which flushes Triangle Cove passes through the narrow mouth, funneling fish, organic matter, nutrients, sediment and wood into the embayment. This project will protect this critical corridor.

In addition, the sites' mature forests buffer and provide critical terrestrial inputs to the nearshore environment. Barnum Point contributes nutrients, woody debris, habitat and terrestrial insects to the greater marine ecosystem. For shorelines with steep bluffs, native vegetation is usually the best tool for keeping the bluff intact and ensuring natural erosion rates to support sediment inputs to the nearshore environment. At Barnum Point, the mature marine riparian forest anchors soil and filters water on its way into the marine system, while providing nesting, roosting, perching and foraging habitat for a variety of raptors. As the feeder bluffs at the forest interface erode, they deposit coarse woody debris and forest nutrients, as well as sand and gravel into the marine environment.

1c) Self-sustaining processes: The overall goal of this project is to protect intact nearshore and marine riparian habitats that sustain ecological processes critical to the entire Stillaguamish estuary and Port Susan Bay system. This project is completely self-sustaining because it protects the sediment supply and other ecological processes operating in the drift cell and pre-empts land use actions such as residential development that would interfere with these processes. The intent of this project is to allow the existing high-quality ecosystem processes to operate at natural rates and scales.

An inventory and evaluation of Island County shoreforms was completed in 2005 (Johannessen and Chase) and documented that the bluffs on Barnum Point include the only exceptional feeder bluffs in this drift cell, more than half of the feeder bluffs, and half of the transport zone bluffs (Attachment 5). Protecting these bluffs was identified as a priority to protect downdrift habitats. Barnum Point protection will eliminate the development threat on these bluffs, thereby protecting not only the habitats found on-site, but also the important downdrift habitats including the Triangle Cove, Iverson and Livingston Bay pocket estuaries (Attachment 5). An important pocket estuary occurs behind Iverson Spit, though most of the historic estuary was converted for agriculture. Island County now owns the land and there is potential for eventual restoration. The Livingston Bay pocket estuary, owned by the Conservancy, is protected by a spit also maintained by sediment delivery from the Barnum bluffs. Long-term protection and evolution of the pocket estuary marshes and channel systems depends on the integrity of the sediment supply. Furthermore, resilience of spit and pocket estuary habitats to sea level rise depends on the continued delivery of sediment to maintain beach elevations relative to sea level.

Located an hour from Seattle, Camano Island has high development pressure due to its desirability for commuters and second homes. Residential development is the greatest threat to continued ecological function. Zoning allows up to one house per 5 acres, which would allow an additional 12 residences to be developed on the entire property. A neighboring shoreline property on Triangle Cove received approval to subdivide a 35-acre parcel into six lots in 2009. With 80% of the shoreline parcels in Island County already developed or slated for development, Barnum Point will continue to be at risk of development should adequate protection not be secured.

Permanent protection will also abate the myriad secondary threats to healthy habitat and processes presented by coastal development, including contamination from fertilizers, toxic chemicals, septic discharge, sediments and petroleum runoff. Currently, the forested uplands maintain high water quality entering the nearshore—clearing these forests would speed entry of the contaminants listed above into the marine ecosystem and eliminate a source of woody debris. Forest conversion and shoreline armoring would disrupt natural rates of sediment inputs from the feeder bluffs, while installation of septic systems and groundwater wells required for development would deplete groundwater flow and threaten water quality.

Further, the rapid coastal development that has occurred throughout the Puget Sound region over the past century coincides with the expected acceleration of global climate change and sea level rise. Recent research

suggests that bluffs composed of glacial deposits (like those found at Barnum Point) are likely to retreat more rapidly in the future due to increased toe erosion resulting from sea level rise (Bray and Hooke 1997). Protecting the uplands at Barnum Point will allow greater resiliency in the face of these changes, whereas development would likely impact crucial sediment delivery to the nearshore system and exacerbate the effects of sea level rise.

Successful completion of this project will provide perpetual conservation benefits through fee acquisition, with the fee interest held by Island County. Both the property proposed for acquisition under this grant and property acquired in Phase 2 will be managed as a single passive-use recreation area that will provide long-term conservation of the ecological features of the site as well as compatible recreation opportunities.

1d) At Risk Species: Completion of the Barnum Point acquisition project will have immediate and long-term benefits for numerous species currently managed by state and/or federal agencies as "at risk." The species shown on the table below are known to utilize the project site directly, will benefit from protection of habitats and processes critical to maintaining their prey base, or will benefit from protection of ecological processes.

FE=Federally Endangered; FT=Federally Threatened; FCo=Federal Species of Concern; FRD=Federal Recently Delisted; SE=State Endangered; ST=State Threatened; SC=State Candidate; SS=State Sensitive; PS=State Priority Species

At Risk Species	Project Benefits
Chinook salmon – Puget Sound (FT, SC); Chum	Protects, expands and enhances nearshore rearing, forage
salmon (PS); Coho salmon – Puget Sound/Strait	and migration habitat and habitat formation processes
of Georgia (FCo, PS); Pink salmon (PS); Sockeye	(sediment delivery and transport). Protects spawning habitat
salmon (PS); Steelhead trout – Puget Sound (FT,	for prey species: forage fish. Protects essential terrestrial
PS); Bull trout – Coastal/Puget Sound (FT, SC);	inputs: woody debris, insect prey.
Coastal cutthroat trout (FCo, PS)	
Surf smelt – PS; Pacific sand lance – PS; Pacific	Protects and enhances spawning and larval habitat, including
herring – <i>PS</i>	eelgrass beds, sand and gravel beaches, habitat forming
	processes (sediment delivery and transport) and terrestrial
	inputs (woody debris and spawning gravels).
Bald eagle – <i>FRD,</i> SS	Protects nesting sites, roosting, feeding and perching areas.
Peregrine falcon – FRD, SS	Protects perch sites and habitat for prey base: shorebirds
	and waterfowl.
Marbled murrelet – <i>FE, ST</i>	Protects spawning and rearing habitat for prey base: forage
	fish.
Other birds including: Common Loon – SS;	Protects foraging and/or wintering habitat and prey base
Western Grebe – SC; Great Blue Heron – PS	(mollusks, forage fish and salmonids).
Steller sea lion – <i>FT,</i> ST	Protects rearing habitat for prey base (including salmon and
Harbor seal – <i>PS</i>	other fishes).
Killer whale, Southern Residents – FE, SE	Enhances prey base: forage fish production and salmon
	feeding areas.
Native Littleneck clam – <i>PS</i> ; Butter clam – <i>PS</i>	Protects nearshore habitat, substrate replenishment and
	water quality.
Townsend's big-eared bat – FCo, SC; Yuma	Protects foraging and potential breeding habitat
Myotis bat – <i>FCo</i>	

1e) Information Gap: As described above, this project is an important component of a larger landscape-scale effort to restore ecosystem functions in the Stillaguamish River estuary and recover at-risk species. The overarching hypothesis of this program is that restoration of estuarine processes and structures will improve estuarine functions, increasing ecosystem resilience and adaptability to long-term change. As such, we are developing a long-term monitoring program to track the incremental and cumulative impacts of restoration efforts on the broader estuarine ecosystem (addresses CHIPS Research Plan Goal 3).

Since this is a protection project, the requested funding will not be used to take restoration actions that will change ecosystem structures or processes. As a result, there is not a hypothesis of change that will be tested. However, this project area, once protected, offers the opportunity to understand and develop predictive models of how nearshore ecosystems respond to management actions and to climate change. To this end, Barnum Point will be incorporated into the Conservancy's estuary-wide long-term monitoring program, with the intent of understanding the dynamics and rates of change in habitats over time (see Section 2.d.).

2) TECHNICAL MERIT (30 Points)

2a) Conceptual Model: See Attachment 6 for conceptual model diagram. Protection of the Barnum Point property through fee simple acquisition will eliminate the threat of development on the uplands, with the associated impacts of septic inputs, storm water runoff, loss of forest cover, armored bluffs and beaches, wildlife disturbance and other impacts. Development impacts have well documented effects on key nearshore ecological processes. including sediment recruitment and distribution, tidal hydrodynamics, freshwater hydrology and pollution levels, food production, and habitat availability. Alterations to these processes would lead in turn to alteration of the fundamental habitat structure that supports the fish and wildlife of north Port Susan Bay, including loss of the mature, productive marine riparian forest and alteration of the slope, area, particle size and hydrochemistry of the intertidal substrates which support abundant fish, shellfish and wildlife. The Barnum Point feeder bluffs are active and critical to the integrity of the largest drift cell of northern Port Susan Bay and provide a sediment subsidy to three spit-enclosed pocket estuaries. In addition, the beaches on the property are highly productive for many fish and wildlife species, directly supporting spawning surf smelt, and high densities of juvenile salmon and several shellfish species. These, in turn, support predators such as the bull trout, sea ducks, nesting bald eagles, herons and peregrine falcons that have been documented on the property. With the increasing stress of climate change, maintaining the processes and the complex and connected habitats supported by this property is critical to the resilience of northern Port Susan Bay in the face of rising sea level.

2b) Interdisciplinary Review: Port Susan Bay and the Stillaguamish and Skagit River deltas have been identified as priority areas for restoration and conservation in numerous regional management, conservation, and species-specific recovery plans (Section 1.a.). These plans were all developed with rigorous technical review by a variety of experts, and restoration and protection of nearshore and estuarine habitats were consistently identified as actions critical to the recovery of at-risk species. This project has been reviewed and endorsed by the WRIA 6 (Island County) lead entity as part of its 3-year implementation plan. The project also received interdisciplinary review as part of the 2010 Aquatic Lands Enhancement Account grant round (ranked 1st of 27 proposals) and the 2010 WA Wildlife and Recreation Program (Riparian Protection Account) grant round (ranked 4th of 20 proposals). These teams of reviewers consistently ranked the Barnum Point project highly based on its ecological merits.

2c) Probability of success: This project has a high probability of success. The primary goal of the project is to protect the highly intact habitat and ecosystem functions from the threat of residential development which would irreparably damage these values. Therefore, permanent protection through fee acquisition largely defines the immediate success of the project. The Nature Conservancy is currently negotiating with the landowner for the Phase 1 area and closing is planned by April 2011. Applications for additional state funding have been submitted, and federal funding applications will be submitted in Spring 2011 for Phase 2. The greatest risk to overall project success is the ability to secure funding for Phase 1 in order to meet the landowners' urgent need to sell a portion of the property. A grant from ESRP is key to securing sufficient funds to purchase the Phase 1 property.

The property will be protected in perpetuity and human use limited to activities that do not adversely affect natural functions. Acquisition of functioning ecosystems is recognized as the most cost-effective and successful long-term action to recover threatened and endangered species. With careful monitoring, an active educational program, a network of partners and supporters, and the control that comes with ownership, we are highly likely to succeed in protecting ecological functions.

2d) Monitoring: The primary objectives of the project are to protect approximately 123 acres of habitat and associated ecological processes and prevent development impacts including shoreline armoring, forest clearing and water quality degradation. Performance will be measured based on completion of fee simple acquisition.

Monitoring will occur on several levels. Island County will monitor human use of the property to prevent degradation of ecological functions. Volunteers will be recruited to survey the beach periodically for new debris accumulation and to remove smaller debris. As described in Section 1.e., this area will be incorporated into the Conservancy's estuary-wide long-term monitoring program, and we intend to periodically measure bluff condition and intertidal geomorphology, including elevation, slope, breadth, shape and substrate type, in order to better understand the long-term response of nearshore habitats to changes in sea level and storm dynamics. This monitoring will occur across the drift cell in order to link dynamics at Barnum Point with changes in down-drift spit. To accomplish this, funds are requested for an initial inventory of intertidal habitats and conditions at Barnum Point, including bluff position, elevation and condition, and intertidal habitat elevations, slope, and substrate type. These data will be collected on 5-8 transects that extend from bluffs through the intertidal zone using a RTK GPS system and will be linked explicitly with the long-term photo-monitoring component in the Conservancy's monitoring. Photo-monitoring will occur annually for the first 3 years and at least every third year in subsequent years. Intensive geomorphic data collection will be repeated at least every five years and following major storm-triggered geomorphic events. Monitoring is subject to funding availability and may be scaled accordingly.

3) READINESS (15 points)

3a) Qualifications: We have personnel with the expertise to successfully complete this project. Peter Scholes, Director of Protection, will oversee the project. Mr. Scholes has more than 20 years of experience conducting conservation real estate transactions, including prominent Puget Sound nearshore projects in Snohomish, Island, San Juan, Kitsap and Pierce counties. Other project personnel include Kat Morgan (Port Susan Bay Program Manager), Roger Fuller (Ecologist) and Steve Marx (Assistant Director, Public Works, Island County).

3b) Record of Success: The Nature Conservancy has been involved in habitat conservation for over 50 years. Our mission is to preserve the plants, animals, and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. Using the most up-to-date scientific principles, we identify high priority, ecologically valuable areas and build partnerships with government agencies, non-profit organizations, and private landowners to protect these native species and systems. In Washington, the Conservancy has helped protect over 500,000 acres of land for conservation, including more than 3,000 acres of estuarine habitat at Port Susan Bay. As confirmed by our A-133 audit (available upon request), the Conservancy is a low-risk award recipient and is not delinquent on any grants or contracts. The Conservancy has successfully completed 3 acquisition projects under previous ESRP awards and is currently implementing a restoration project.

PRISM #	Project Name	Grant Manager		TNC Contact
07-1142	Port Susan Bay Estuary Restoration	Betsy Lyons	360/902-2572	Kat Morgan
07-1032	Tarboo/Dabob Bay Acquisition & Restoration	Paul Cereghino	360/902-2603	Melinda Milner
08-2141	Lily Point Nearshore Acquisition	Mike Ramsey	360/902-2969	Melinda Milner
07-1009	Livingston Bay Nearshore Acquisition & Restoration	Mike Ramsey	360/902-2969	Melinda Milner

3c) Project Readiness: Status category: <u>Negotiation</u>. A year ago, the landowners approached the Conservancy about their preference for conservation of Barnum Point. Their specific expectations, desires and needs have been discussed in detail, and the valuation of the property is now nearing the appraisal review stage. A purchase agreement is likely by the end of 2010, and closing on Phase 1 is anticipated by April 2011. Acquisition of the Phase 2 area is contingent upon successful completion of Phase 1 and securing sufficient funding and would likely occur within 1-3 years of closing on Phase 1. Given the timing of this acquisition, The Nature Conservancy will be submitting a Waiver of Retroactivity request following the submission of this proposal.

Funding for Phase 1 of the project is also currently being pursued from the Aquatic Lands Enhancement Account (#1 project ranking) and Washington Wildlife and Recreation Program – Riparian Protection Account (#4

project ranking) (see attached budget). The Nature Conservancy is committed to raising funds from other sources should insufficient funds be secured for these programs. Additional federal, state and local grants will be sought to complete the entirety of the project.

4) COST JUSTIFICATION (15 points)

4a) Cost-effectiveness: Due to the landowners' debt burden, the property is immediately threatened by conversion to residential, large lot development. Acquisition is the most cost-effective approach to ensure long term protection of the nearshore and forested upland areas. Protection of these existing intact habitats and their ecological functions is a critical element of the larger Port Susan Bay/Stillaguamish River delta ecosystem restoration effort. Protecting the site now will prevent development or other physical alterations that could permanently degrade the ecological functions and/or require expensive restoration actions needed to restore them in the future. In addition, protection of functioning habitats improves the likelihood of achieving larger ecosystem level goals and helps ensure that financial resources invested in other contributing actions are well placed.

The Conservancy recently acquired two properties in Livingston Bay: the Nelson property (28 acres of highbank uplands and pocket estuary and 15 tideland acres) for \$2.25 million in 2009 and a neighboring 5-acre highbank upland parcel for \$300,000 in 2010. While the market has declined since the purchase of the Nelson property, Barnum Point is more unique from a market perspective and the \$6 million estimated value is within the expected range of values for this property. It is supported by a USPAP-compliant opinion of value.

4b) Reasonable Budget: See attached total project budget. The budget includes total costs for acquisition of approximately 123 acres at Barnum Point (in two phases), along with cash and in-kind match and leverage.

4c) Match: See attached total project budget. A \$1.05 million investment by ESRP in Phase 1 of the Barnum Point project will leverage \$2.187 million in funding from other sources (\$233,210 private), \$1.05 million of which is dedicated ESRP match. Upon completion of the full project scope, funds leveraged will total ~\$5.19 million.

5) PUBLIC SUPPORT (10 points)

5a) Public Education: With the ultimate vision for Barnum Point being a passive-use Island County Park, there is substantial potential for public education and engagement at this site. The majority of Camano Island's more than 15,000 residents live along the shoreline and there is a tremendous need and opportunity to educate the local community about shoreline processes, functions, and stewardship. This element of the project will be primarily pursued in subsequent phases of the project. Island County is in the midst of an update to the Comprehensive County Parks plan, which will establish priorities for the park system as a whole, as well as individual park sites. Education is one of the priorities emerging from early plan development.

Volunteer and community outreach groups who will be actively engaged at the site have submitted letters of support. Friends of Camano Island Parks organizes volunteers to perform stewardship work on County Park properties, leads nature and winter walks for adults, and hosts school field trips and community clamming days. Camano Action for a Rural Environment (CARE) works to promote responsible land use and good stewardship to preserve the integrity of Camano Island's natural landscape. CARE has sponsored public educational programs with regional scientists such as Hugh Shipman and local BeachWatchers program coordinator Scott Chase.

5b) Partnership: Permanent protection and responsible public enjoyment of the unique Barnum Point site is the vision shared by the project partners: The Nature Conservancy, Island County and Whidbey Camano Land Trust. In addition, a larger community of diverse entities and organizations support the project vision as evidenced by letters of support from Camano Island citizens groups, tribes, and the Island County marine resources committee.

Island County is currently updating their County Parks Plan, which received substantial input from Camano Island residents. One of the strongest themes from the social data collected from Camano Island residents was their support for open space and natural area protection. The project partners will ensure both protection and access opportunities valued by the community are realized at Barnum Point.

Budget Narrative

The proposed project budget is guided by our experience in budgeting and managing land acquisition projects in Puget Sound and ESRP projects in particular. The costs associated with the Barnum Point Acquisition project were developed by local TNC staff with expertise in land acquisition and grants staff managing other ESRP awards. We believe that our calculations provide a reasonable basis for identifying costs in each category. This budget reflects the estimated costs by category consistent with the budget spreadsheet submitted with this application. The budget narrative below describes project costs necessary for completing the full project scope.

Personnel – Personnel costs associated with acquisition include protection, science, and conservation program staff time for direct acquisition work, including negotiation, due diligence, closing, preparation of stewardship plans, baseline monitoring and reporting.

The following staff will contribute directly to project implementation: Primary (see Attachment 1 – Resumes for Project Leads) – Director of Protection and Port Susan Bay Program Manager; Supporting – Protection Associate and Ecologist. Note that legal and grant administrative staff time is included as part of The Nature Conservancy's indirect cost calculation and is therefore not included in this ESRP budget. Hours and rates for project implementation staff are shown on the table below.

Personnel	Project Role	Approx. # of Hours	Rate (Includes benefits)
Director of Protection	Oversee all aspects of land transaction, including negotiation and closing.	200	\$63/hour
Port Susan Bay Program Manager	Landowner outreach, partner relations, stewardship planning and project oversight.	150	\$40/hour
Ecologist	Scientific guidance on acquisition and stewardship plan development; baseline monitoring.	230	\$45/hour
Protection Associate	Assist with land transaction and closing.	50	\$32/hour

Fringe Benefits – Fringe benefits are calculated at 42% for full-time regular employees and include the following costs: Accrued Vacation; Sick Leave; Holiday & Admin Leave Expense; Military Leave; Medical Insurance, Claims, Fees, and Premiums; Life Insurance; Accidental Death/Dismemberment Insurance; Disability Insurance; Workers' Compensation; FICA Tax; Pension Plans; State Unemployment; and Employee Relocation. This rate is evaluated and subject to change on a yearly basis as part of the Negotiated Indirect Cost Rate Agreement determined by the Department of Interior, our cognizant agency.

Travel – Travel costs include trips for project implementation staff from our Mount Vernon office to the site (46 miles round trip), and from Seattle to the site (125 miles round trip) in order to conduct site visits and complete baseline monitoring, and travel between Mt. Vernon and Seattle for periodic project team meetings (125 miles round trip). Travel expenses include the costs of rental vehicles, mileage calculated at the current IRS rate, and incidental travel expenses associated with these trips.

Equipment – No equipment will be purchased.

Supplies – Supplies include rental of RTK GPS system (\$1,000) and purchase and use of expendable field monitoring supplies totaling \$250 for the project.

Contractual – Contractual expenses for acquisition include the costs of appraisal, appraisal review, survey, baseline documentation and other professional services associated with due diligence review and closing. The basis for cost estimates is extensive professional experience with similar contracts.

Land – The estimated land value is based on a preliminary *Uniform Standards for Professional Appraisal Practice* (USPAP)-compliant opinion of value by an MAI appraiser for acquiring fee interest in the 123-acre property.

Other – Other expenses include closing costs, real estate excise taxes, recording fees, photo/printing, signage, postage and mailing expenses, and communications expenses.

Indirect – Indirect costs are not included in funding request or as matching contribution, per ESRP program guidance. Note that The Nature Conservancy's negotiated indirect cost rate is 23.13% as approved by the U.S. Department of Interior and would be typically be applied to all non-land direct expenses. Approximately \$56,130 in indirect costs are waived for this project.