

**COACHELLA VALLEY MOUNTAINS CONSERVANCY
REGULAR MEETING
73-710 Fred Waring Drive, Suite 115
Palm Desert, California
September 12, 2011 - 3:00 p.m.**

MINUTES

MEMBERS PRESENT:

John J. Benoit, Riverside County Supervisor, District IV
Buford Crites, State Assembly Appointee – *Vice-Chairman*
Jim Foote, U.S. Forest Service (non-voting)
Kristy Franklin, City of La Quinta
John Kalish, Bureau of Land Management
Patrick Kemp, Natural Resources Agency
Eddy Konno, California Department of Fish and Game
William Kroonen, City of Palm Desert
Chris Mills, City of Palm Springs
Al Muth, University of California
Paul Riesman, California State Parks
Pedro Reyes, Department of Finance
Iris Smotrich, City of Rancho Mirage
Larry Spicer, City of Indian Wells
Ellen Lloyd Trover, Senate Rules Committee Appointee – *Chairwoman*

MEMBERS ABSENT:

Karl Baker, City of Desert Hot Springs
John Donnelly, Wildlife Conservation Board
Karin Messaros, National Park Service
Richard Milanovich, Agua Caliente Band of Cahuilla Indians
Joan Taylor, Governor's Appointee
Sam Toles, City of Cathedral City

STAFF PRESENT:

Kevin McKernan, Executive Director
Kerrie Godfrey, Staff Services Analyst

OTHERS PRESENT:

Mr. Smotrich

VACANT POSITIONS:

Vacant, Staff Environmental Scientist

1.0 Call to Order & Introductions

Chair Trover declared a quorum with 14 voting members present at 3:10 pm. John J. Benoit arrived at 3:15 and was not available to vote on the minutes. Chris Mills arrived at 3:30 and was not available to vote the minutes or resolutions 2011-09 thru 11.

Ellen introduced the new alternate Board Member from the City of Rancho Mirage, Iris Smotrich. Iris took a few minutes to provide some background about herself.

2.0 Approval of Minutes of July 2011 meetings

Chair Trover asked if there were any additions or changes to the July 11, 2011 Minutes. Seeing none, a motion was made and seconded (Muth/Konno) to approve the Minutes. The motion was adopted by the Board members saying "Aye" in a

unanimous vote with the exception of Buford Crites, Kristy Franklin, Iris Smotrich and Pedro Reyes abstaining from the vote because they were not present at the last meeting.

3.0 Public Comments on Items Not on the Agenda

Chair Trover asked if there were any comments on any items not on the agenda. There were none.

4.0 Closed Session – No matters scheduled

Pursuant to Government Code sections 11126 (a)(1), 11126 (e)(1) and 11126.3(a) the Board may hold a closed session to discuss and take possible action on personnel matters and or receive advice of counsel on pending or potential litigation. In addition, pursuant to Government Code section 11126 (c) 7 (A) the Board may meet in closed session with its negotiator prior to the purchase or sale of real property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase or sale. Confidential memoranda related to these issues may be considered during such closed session discussions.

5.0 Action Items - public hearing

- 5.1 Resolution 2011-09 approving matching funds to the Wildlife Conservation Board for acquisition of approximately 59.68 acres in the Section 5 of the Santa Rosa Mountains alluvial fan for a USFWS Section 6 Peninsular bighorn sheep/Recovery Land Acquisition Habitat Protection Area grant.

Kevin McKernan explained that the CVMC has been working closely with the USFWS and WCB/DFG to acquire land from willing sellers in Section 5, south of La Quinta, using three funding sources. Priorities for acquisition were established within the section through the PBS/RLA sub-grant from USFWS to WCB. He noted that the Board may be familiar with the Travertine Resort that proposed to develop this area. Since then several parcels have changed hands to other owners. Recently, the USFWS was awarded additional Section 6 grant funds for acquisitions in the Coachella Valley. The Board may have seen a recent article in the Desert Sun written by Councilman Richard Kite about the award. This is representative of the collaborative efforts that we have all been a part of here in the Valley. He further explained that there was a remaining balance of \$240,000 unexpended from the last grant and it was scheduled to expire this month, which would not bode well for future Section 6 RLA grant awards in our area. An extension was granted however, giving enough time to complete these important acquisitions. CVMC diligently pursued willing sellers in the priority 1 and 2 areas and received positive responses beyond the total remaining in the RLA grant. CVMC has since identified willing seller acquisitions totaling approximately 60 acres, representing 6 parcels and four landowners, for a total purchase price of \$855,000. Due to this positive response, and the fact that USFWS is motivated to expend another 2009 HCP grant that is also in jeopardy of expiring, the Service has agreed to dedicate an additional amount beyond the original \$240,000 to complete the purchases. There was an appraisal done early this year by the WCB and was approved by DGS. WCB had committed the required matching funds (see table below) for the original \$240,890, and CVMC made a commitment to use its bond funds, as outlined in its DOF/STO-approved bond project list, in the event that willing seller acquisition totals exceeded the above mentioned sources. CVMC, in turn, has offered to provide the subsequent match amount above and beyond the original amount committed by WCB plus closing costs in the amount of \$177,000 plus closing costs, pending board approval. DFG has agreed to take title to all of the properties for management. Kevin referred the Board

to the map in the agenda and noted that the property was very difficult to access due to CVWD gates in the area. He asked if there were any questions.

A motion was made and seconded (Crites/Kroonen) to adopt the motion.

Chair Trover asked if there were any other discussion on the item.

Larry Spicer asked if he was right in calculating the sale at \$14K an acre.

Kevin McKernan explained that it is variable in that area the zoning from open space and wilderness that goes for \$500 an acre to Rural Residential for development that goes for \$14K an acre. So what you are seeing here is a combination of the two.

Ellen explained the location of the property to the Board as she is very familiar with the area. CVWD has a gate up at the end of Avenue 62 because they have put their recharge pond there.

Larry Spicer explained that the reason he posed the question is because that is probably the highest per acre value he has seen. So the appraiser took into account the highest and best use here.

Kevin McKernan responded that back during the speculative boom in this area the values were almost twice as much as it is today. WCB paid twice the value for the parcels that are already conserved in that area. So the price has ratcheted down considerably in the past couple of years.

Larry Spicer noted then the appraisal was based on the zoning in the area.

Kevin McKernan said yes, as well as comparable sales in the area and noted that the appraisal was approved by DGS.

Larry Spicer reiterated that his concern is that the values are the highest he has seen.

Ellen noted that Travertine Development was approved by the City of LQ and the appraiser had to base his comparison on a similar development which would have been the Trilogy Development directly across the levee; a developed project within feet of an approved project.

Kristy Franklin noted that she took a trip to see the area when the City was considering the development and got locked in behind the gate. Kevin noted that he almost got locked in also.

Chair Trover noted that a lot of people who live in the area have hiked into this area as it is just north of the Martinez slide. If you have never seen the slide you should.

Kevin McKernan reiterated that if we had not found a willing seller there was a remaining balance of \$240,000 unexpended from the last grant that was scheduled to expire this month, we would have been returning funds to the federal government right after receiving the new grant, which would not bode well for future Section 6 RLA grant awards in our area. It is fortunate that CVMC was able to put this deal together allowing for the federal government to direct additional funds for conservation in this area. CVMC would be paying the \$177K but with the \$855 leverage from WCB he thinks this is a good leverage of our funds.

Iris Smotrich asked who the sellers are.

Kevin McKernan responded private landowners and an investment company that held the notes on the mitigation property that Travertine was required to buy to develop the area.

Supervisor Benoit asked if this is near the recharge station.

Chair Trover responded that yes it is near levee 4 recharge.

Chair Trover asked if there was any further discussion on the item. Since there was none she asked for a roll call vote to adopt resolution 2011-09. The motion passed by the unanimous vote of the 13 voting members present.

5.2 Resolution 2011-10 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of approximately 41.25 acres in the Hwy 111/I-10 Conservation Area

Kevin McKernan explained that this is continuation of the acquisitions that were approved at the March meeting where the Governing Board was briefed about the HWY 111/I-10 Conservation Area and the funding situation prior to the freeze on bond funds. Information about the appraisal process was also provided and subsequently grants were approved for the acquisition of 2 two parcels in the Edom Hill area at the July meeting. Since then, additional offer letters were mailed to willing sellers in the Edom Hill area, the Thermal Canyon area, and HWY111/I-10, to continue acquisition projects that had begun before the bond freeze and which were part of the Conservancy's priority projects. He referred the Board to the map in the agenda and explained that these will represent the first acquisitions in this Conservation Area, thus substantially helping to implement the MSHCP in this area of important wildlife corridors.

The Friends has requested that the Conservancy approve a local assistance grant for \$252,000 plus closing costs, pending board approval for the acquisition of two parcels consisting of approximately 41.25 acres in the HWY111/I-10 area. These parcels belong to landowners who have been identified as willing sellers.

These parcels have been previously identified and approved by the board, STO and DOF as outlined in CVMC's current project list. These parcels have also been appraised using USPAP standards and the appraisal was reviewed and approved by and independent qualified appraiser. Kevin McKernan asked if there were questions.

Chair Trover asked if there were any discussion on the item.

John Kalish noted from a BLM standpoint due to the proximity of the sand dunes BLM has focused their ranger patrols in this area due to extensive OHV activity. Once this parcel is acquired we can focus even more on enforcement in this area after we finalize an agreement with the CVCC to enforce laws and regulations.

Kevin McKernan; thanks.

Al Muth asked if the tribe planned to put Wind Turbines up somewhere in this area.

Chair Trover responded that she believes the turbine project is to the West.

After much discussion, it was determined that the turbines are to the West of the proposed acquisition.

Chair Trover asked if there were any other discussion on the item. Since there was none, she asked for a motion to approve the local assistance grant to the Friends of the Desert Mountains. A motion was made and seconded (Kroonen/Franklin) to adopt the motion. The motion passed by the unanimous vote of the 13 members present.

5.3 Resolution 2011-11 approving a local assistance grant to the Friends of the Desert Mountains for acquisition of approximately 10 acres in the Edom Hill Conservation Area

Kevin McKernan explained that at the CVMC March meeting the Governing Board was briefed about the Edom Hill Conservation Area and the funding situation prior to the freeze on bond funds. Information about the appraisal process was also provided and subsequently grants were approved for the acquisition of one parcel in the Edom Hill area at this meeting. Since then, additional offer letters were mailed to willing sellers in the Edom Hill area, the Thermal Canyon area, and in a third area, HWY 111/I-10, to continue acquisition projects that had begun before the bond freeze and which were part of the Conservancy's priority projects. He referred the Board to the map in the agenda and explained that the ongoing acquisition efforts in these areas have succeeded in acquiring the majority of this Conservation Area, thus substantially helping to implement the MSHCP in this area. He noted that unlike the parcel approved at the last meeting, he did not see any burrowing owls on this property.

The Friends has requested that the Conservancy approve a local assistance grant for \$81,000 plus closing costs for one additional parcel consisting of approximately 10 acres in the Edom Hill area. This parcel belongs to a landowner who has been identified as willing sellers.

Chair Trover asked if there were any discussion on the item. Since there was none, she asked for a motion to approve the local assistance grant to the Friends of the Desert Mountains. A motion was made and seconded (Kroonen/Benoit) to adopt the motion. The motion passed by the unanimous vote of the 13 members present.

5.4 Resolution 2011-12 approving a local assistance grant to the Friends of the Desert Mountains for the Desert Ranch acquisition from the Trust for Public Lands of approximately 1825.78 acres in the Santa Rosa Mountains alluvial fan area

Kevin McKernan explained that the board was briefed on and approved a motion expressing a high priority in protecting the alluvial fans of the Santa Rosa Mountains at the May 9, 2011 board meeting. CVMC participation in acquisitions in the area, dates back to Su Hai (a 5,400 acre partnership acquisition among BLM, WCB, and CVMC in 2003), plus two grants to Friends for acquisitions in Sections 25 and 27, and last year's LOH property acquisition in Sections 7 and 8 by BLM, WCB, and CVMC (matching funds for section 6 grant). This deal was very dependent on the Trust for Public Land and their ability to act quickly. For those of you who are not familiar with TPL; they are an organization that is able to step in quickly and acquire land for the public's benefit when State and Federal Agencies generally move slower. Their general model is to have a back-up buyer to acquire the land when their funding is available. Subsequently, TPL acquired these important properties subject to a purchase agreement entered into with the Friends of the Desert Mountains contingent

upon receiving CVMC grant funding. Upon approval of this acquisition from TPL, approximately 90% of the total conservation needs in that area will be completed.

Trust for Public Lands (TPL) has now purchased the 1342 acre property in portions of sections 16, 22 and 26 (Santa Rosa Mountains alluvial fan) and another 483 acres near the Dunn Road in the Monument from Desert Ranch L.L.C. (a.k.a. Timothy Blixeth). The property closed in two phases in July and August of 2011 and TPL subsequently commissioned an appraisal of the properties which established a fair market value of \$3,340,000. The appraisal was independently reviewed by another qualified appraiser for USPAP compliance and DGS standards and was found to adequately support the fair market value conclusion. An independent appraiser was chose due to the time sensitive nature of this acquisition. DGS had informed the Conservancy that their review time would likely take 60 to 90 days. Kevin McKernan noted that the properties do have significant cultural resources. The request is for a CVMC grant to the Friends per their purchase agreement is \$2,937,762 plus closing costs for a total \$2,944,900, substantially LESS that the appraised value. This purchase price reflects the same price per acre recently approved by DGS for a nearly identical set of properties in the vicinity in late 2010 (LOH Investment Limited Partnership) purchased for \$1900 an acre. Kevin McKernan asked if there were any questions.

Chair Trover asked if there were any discussion on the item.

Al Muth asked if the land ownership around Desert Ranch is private.

Kevin McKernan responded that the ownership is a mixture; generally surrounded by DFG, BLM, CVWD and some privately owned parcels. Additionally, these parcels are all in the Conservation Area which will give us credit towards the MSHCP.

Al Muth noted that his concern is that you have this private land in there and create a peninsula. The land out there is of very little conservation value.

Kevin McKernan noted that these lands are generally completing a connection from previous acquisitions. There are a few 5 and 10 acre parcels generally more to the South of the acquisition area. He also noted that the Board needs to stay tuned because you may see them on a future agenda because we are having them appraised shortly.

Chair Trover asked if Paul Riesman could speak about the cultural resources in this region.

Paul Riesman noted that very close to these parcels are significant cultural resources. He is very excited about this acquisition for the cultural values as well as the habitat conservation values.

John Kalish contributed to the conversation and also thinks the cultural values are very important in this area.

Larry Spicer asked how the general public would access these cultural resources.

Paul Riesman responded that it is a very long hike; approximately 5 or 6 miles.

Larry Spicer asked if the lands are restricted.

Paul Riesman responded that if you want to walk 5-6 miles you can but, we don't advertise because we have to protect it.

Kevin McKernan added that there is a high propensity for people to remove or damage the cultural resources so it's a delicate balance between providing access and a preserving it; it's a challenge for the agencies that manage the properties out there.

Buford Crites noted that when the weather is cooler, that we could take a little hike to explore this area.

Kevin McKernan noted that one of the ancient trails starts on one of these properties.

John Benoit added that there is a challenge on how to protect cultural resource and share it.

Al Muth added that it's essentially protected due to its location not disclosure.

Chair Trover asked if there were any other discussion on the item. Since there was none, she asked for a motion to approve the local assistance grant to the Friends of the Desert Mountains. A motion was made and seconded (Crites/Spicer) to adopt the motion. The motion passed by the unanimous vote of the 14 members present.

6.0 Reports

6.1 Written Reports.

Chair Trover asked if there were any discussion. Kevin McKernan provided the Board an acquisition update and briefly discussed his trip to Sacramento.

6.2 Board Member comments and reports from Conservancy member agencies. Chair Trover asked if there were any discussion. There was none.

7.0 Adjourn to the November 14, 2011 meeting

A motion was made and seconded (Spicer/Benoit) to adjourn the meeting. The meeting was adjourned without objection at 4:00 p.m.