

DRAFT

United States Department of the Interior

98-F12



IN REPLY REFER TO:

FISH AND WILDLIFE SERVICE
 California/Nevada Operations Office
 2800 Cottage Way, W-2606
 Sacramento, California 95825-0509

LA-California
 CALFED
 Stone Lakes NWR

Steve Ritchie, Acting Executive Director
 CALFED Bay-Delta Program
 1416 Ninth Street, Suite 1155
 Sacramento, California 95814

Re: Amendment to Agreement No. 1420-1981-0052; CALFED Project No. PSP98-C1010
 Stone Lakes National Wildlife Refuge Land Acquisition

Dear Steve:

In August, 1998 the CALFED Policy Team approved \$1,900,000 for the acquisition of the 555 acre Kuhn property at Stone Lakes NWR by the U.S. Fish and Wildlife Service (Service). On March 3, 1999, the Service made an offer to purchase the Kuhn property. The Kuhn family has subsequently entered into an agreement to sell their property to Wildlands, Inc. We have met with representatives of Wildlands, Inc., and in conjunction with the American Land Conservancy, we are working towards completing the acquisition of the Kuhn property. The following tables represent the currently approved costs and the requested revised cost increase associated with this project. The cumulative increase in costs from the original approved grant of \$1,900,000 to \$2,400,000 is \$500,000 or approximately a 26.3 % increase.

ORIGINAL COST ESTIMATES TO IMPLEMENT THE PROPOSED PROJECT

Project Phase	Direct Salary and Benefits	Service Contracts	Direct Costs for Land Purchase	TOTAL COSTS
Full Purchase	-0-	-0-	\$1,900,000	\$1,900,000

AMENDED COST ESTIMATES (26.3%) NEEDED TO COMPLETE THE APPROVED PROJECT

Project Phase	Direct Salary and Benefits Costs	Initial Restoration Planning Costs	Direct Costs for Land Purchase	Indirect Budget and Administrative Costs	TOTAL COSTS
Full Purchase	\$38,000	\$212,500	\$2,122,500	\$27,000	\$2,400,000
Net Change	+\$38,000	+\$212,500	+ \$222,500	+\$27,000	+\$500,000

In order to expedite the acquisition of the Kuhn property and obligate the CALFED monies, the Service has proposed to assign the Grant to the American Land Conservancy (a non-profit organization). The American Land Conservancy in cooperation with the Service and Wildlands, Inc., will purchase the Kuhn property. The additional costs necessary to complete the project include: the Service's direct salary and benefits cost (\$38,000); the initial restoration planning process (\$212,500); land purchase (\$222,500); appraisal update, contaminants report, survey and closing/title (\$27,000). Wildland, Inc., will cover the closing and overhead costs for the American Land Conservancy associated with this acquisition.

If our request is approved, the Service in cooperation with the American Land Conservancy and Wildlands, Inc., plan to complete the acquisition of the Kuhn property by January, 2000. Wildlands' option to purchase the property will expire in February, 2000, and the landowner has stated that he will not sign another extension to this agreement. The American Land Conservancy will donate the land to the United States subject to a reservation to complete the restoration work planned for the property. The restoration work will be accomplished in cooperation with the Service by Wildlands, Inc. Once the restoration work is complete, the aforementioned reservation will be extinguished. The Service will manage the property as a part of Stone Lakes National Wildlife Refuge.

We are requesting that the above referenced agreement be amended to reflect the additional 26.3 percent increase in costs for a total of \$2,400,000. We also request that the completion date for this project be amended to December 31, 2000. If our request is denied, the Service and CALFED could lose the opportunity to acquire and protect the Kuhn property. We look forward to completing this worthwhile project. With CALFED's assistance, the Service will be able to permanently protect and restore important habitat for Sacramento Splittail, Giant Garter Snake, Burrowing Owl and associated wetland species. It will also help to improve the health of the Bay-Delta ecosystem and Consumes/Mokelumne Rivers flood plain.

If you have any questions regarding this matter, please contact Howard K. Stark or Stephen M. Dyer at the above address or at (916) 414-6446.

Sincerely,

Michael J. Spear
Manager

cc: Elizabeth Stevens, CNO Office, Sacramento, California
Howard K. Stark, Sacramento, California
Tom Harvey, Sacramento, California
Patrick Leonard, Sacramento, California
Nan Yoder, BOR, Sacramento, California
David Patte, Darla Smith, Portland Oregon

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