



THE SOUTHERN APPALACHIAN HIGHLANDS CONSERVANCY

34 Wall Street – Suite 502

Asheville NC 28801

(828) 253-0095

www.appalachian.org

September 11, 2008

Mr. Albert Sneed - Chair
Buncombe County Land Conservation Advisory Board
c/o Buncombe County Planning and Development Department
46 Valley Street, Asheville, NC 28801

RE: Grant proposal for McElduff donated conservation easement transaction costs

Dear Albert,

The Southern Appalachian Highlands Conservancy respectfully requests an \$18,000 grant from Buncombe County to help cover transaction costs on a conservation easement that Jim McElduff and Kathy Triplett wish to donate on their property on McDaris Ridge in north Buncombe County.

Based on comparable land sales in the vicinity, we estimate the value of this land to be approximately \$660,000, and the conservation easement to be approximately \$428,000. The landowners are willing to make a 100% donation of the conservation easement, if we can help cover their transaction costs.

This 48.75-acre property is located on McDaris Ridge, and is part of the view from the Vance Birthplace. The property contains a headwater tributary of Reems Creek.

The family desires to maintain their current residence, ceramic workshop, storage shed, and garage/guest house on the property, and add a barn.

This proposed conservation easement is near other conservation easements held by SAHC, including the Woodfiin Watershed, Brunk farm, and the McCutchen property. The proposed conservation easement will periodically be made available for public hikes led by SAHC staff. These hikes are advertised broadly to the public.

In support of this request, we are enclosing the Land Conservation Advisory Board Application, including a line-item budget and a map. We appreciate the County's consideration of this funding request, and look forward to hearing from you about this project.

Sincerely,

Carl Silverstein

Carl Silverstein
Executive Director

Buncombe County Land Conservation Advisory Board (LCAB)

Land Conservation Grant Request Form

I. General Information

Name of Tract/Project: McElduff conservation easement donation
 Property Location: McDaris Ridge / Reems Creek, north Buncombe County
 Type of Project: Land Acquisition Conservation Easement
 Total Acres to Be Conserved: Approximately 48 Acres
 Grant is Requested for: Transaction Costs Only Land/CE Purchase

Applicant Organization/Agency: Southern Appalachian Highlands Conservancy
 Street Address: 34 Wall Street, Suite 502
 City: Asheville State: NC Zip: 28801
 Applicant Contact Person/Title: Carl Silverstein, Executive Director
 Phone: 828-253-0095 Email address: carl@appalachian.org

Name of Property Owner(s): Jim McElduff and Kathy Triplett
 Street Address: 175 McDaris Cove Road
 City: Weaverville State: NC Zip: 28787
 Phone: (828) 779-5255 (cell)
 Email address: jimmcelduff@gmail.com

Funding Level and Duration

Funding sought from LCAB to be applied to conservation easement transaction costs:	\$18,000
Total Value of Project (<i>refers to the specific project to which LCAB funds will be applied. Please include all funding sources.</i>):	\$463,000
<p>\$428,000. Landowner donation of conservation easement</p> <p>\$18,000. Requested from Buncombe County Conservation Easement Fund – To be applied to transaction costs.</p> <p>\$8,200. Additional transaction costs to be covered by landowner and SAHC</p> <p>\$15,000. Stewardship fund. SAHC will engage in fundraising to meet this critical long-term obligation, which is <i>not</i> covered by either the private or County funds listed above.</p>	
Duration (<i>refers to time in months to complete the project</i>).	12 months

II. Public Benefits/Conservation Values.

Please Check to Indicate Public Benefits of Project Based upon Conservation Values Present on Property:

Scenic/Viewshed Protection Natural Areas Protection Water Quality Protection
 Farmland Preservation Working Forest Protection
 Recreation/Public Access Protection Historic/Cultural Resource Protection

Please answer sections below based upon the items checked above.

Scenic/Viewshed Protection. Please describe the scenic values of the property that would be protected under the proposed project. Make specific reference to presence and visibility of ridge tops on property. Also describe the visibility of property from public roadways, including NC scenic byways (see list of state designated byways at: http://www.ncdot.org/doh/operations/dp_chief_eng/roadside/scenic) and scenic overlooks, as well as from other federal, state, county or local public land (e.g. Blue Ridge Parkway). (75 words or less)

This property contains a scenic ridgeline - McDaris Ridge - visible from the Vance birthplace in Reems Creek valley. Protecting this ridgeline is an important part of preserving the beloved mountain landscape of Buncombe County

Natural Areas Protection. Please describe the significant biological values of the property, including the presence of native natural communities, as well as occurrence of threatened, rare or endangered species or habitats. In particular describe endangered or significant habitats such as mountain bogs or wetlands present. Consult with NC Natural Heritage Program for maps and records of natural heritage occurrences on or near property. (75 words or less)

The tract is forested, and is near the Big Ivy unit of the Pisgah National Forest. The hardwood forest on this tract is uninterrupted up to Craggy Gardens and the Blue Ridge Parkway. This property is near more than 2,000 acres of conservation easements held by SAHC, including the Woodfin watershed, the Bob Brunk farm and the McCutchen property.

Several landowners contiguous with the McElduff property are also interested in placing their land under conservation easement.

The connectivity afforded by protecting properties like this adjoining intact blocks of forest supports diverse wildlife, including black bear and bobcat; smaller mammal species such as red fox; large birds such as wild turkey, grouse, barred owl, and red tailed hawk; small song birds and neotropical migratory birds; and a variety of species of amphibians and reptiles

Water Quality Protection. Please describe the water quality benefits to be gained from protection of the property. In particular, please describe the presence and extent (i.e. stream footage) of surface waters on the property. Approximately how many acres lie within 300 feet of surface waters? Is there an intact natural buffer present on streams and will project provide for permanent protection of vegetated riparian buffers of at least 50-feet in width on either side of streams? Does the property lie within a floodplain area? Are there wetlands present, or hydric soils that could be restored to natural wetlands? Would the project provide for or permit restoration of wetland or streams if needed? What are the state classifications of the streams present on the property or within the watershed where the property is located (refer to NC DWQ: <http://h2o.enr.state.nc.us/csu/swcfaq.html>)? Are there any aquatic species, particularly rare and endangered species that might benefit from protection of the property? (75 words or less)

The property contains a headwater tributary of Reems Creek, a popular trout fishing stream in north Buncombe County.

Farmland Preservation. Please describe how protection of the property will help contribute to maintenance of a viable farm economy in the county. In particular, describe whether the property is currently in agricultural production. Describe property soil types – in

particular note the presence of any soils identified as “prime soils” for Buncombe County by the USDA Natural Resource Conservation Service (refer to Loring McIntyre, District Conservationist, 828-250-4790 and the *Soil Survey of Buncombe County*). Is the property located in a county voluntary agricultural district. Is the farm managed under the guidance of a USDA/NRCS-approved farm management plan, and in accord with that agency’s conservation best management practices? (75 words or less)

The landowners intend to continue to manage productive working forests, an orchard and vegetable gardens on the property.

Working Forest Protection. Please describe the forest resources that would be protected by this project. In particular, note whether there is a NC Division of Forest Resources-approved forest management plan (refer to Buncombe County Ranger David Walker, 828-665-1593) that guides forest management on the property. How does the project contribute to maintenance of a viable forest resource economy in the county? (75 words or less)

Forest resources to be protected by this project include a diversity of native plant species, a wide variety of timber and understory trees, excellent songbird habitat, wildlife habitat, tributary streams of Reems Creek and multiple springs, seeps, and small streams. The landowners wish to continue managing the forest for native plant production, forest health, water quality, and for domestic firewood and limited timber harvesting.

Recreation/Public Access Protection. Please describe the recreational benefits to be provided by protection of the property. In particular, note whether property will be available for public access. Would public access trails help fulfill existing county greenways plans or other plans for public recreation? If not available for public access, will protection of the property enhance nearby or related public recreation – for instance, does protection of property help conserve water quality on nearby streams which are stocked for game fishing? Will there be the possibility of limited future access, such as guided hikes or access for school groups? (75 words or less)

The property will be available to the public for periodic guided hikes led by SAHC and the landowner. This would be part of a series of public outings administered and advertised to the public by SAHC. The tract is located in the Craggy Mountains mountains area, which has been designated by the LCAB as a priority for protection.

Historic/Cultural Resource Protection. Please describe any historical or cultural resources to be provided by protection of the property. (75 words or less)

The property belonged to the McDaris family who settled the area in the 18th century. The McDaris family still owns contiguous property.

III. Rights to Be Reserved. Please describe all property rights to be reserved by the landowner that might affect protection of conservation values in the future. In particular, describe any rights that will be reserved for future residential development, roads/driveways/culverts, utilities and any other improvements. Will the landowner reserve the right for future tree-harvesting? Will the landowner reserve the right for future agricultural use, and if so, what rights for future agricultural out-buildings or facilities will be reserved? Please provide a map indicating locations of these potential future improvements. (75 words or less)

The family wishes to maintain their current residence, a ceramic shop, a garage/guest house, a storage shed, and build a barn.

IV. Additional Information on Project Applicant, Resources, and Readiness. Briefly describe the organization's qualifications to accomplish the proposed project. Has the organization previously received a grant from LCAB? If yes, what is the status of the existing contract(s) with respect to completion of outputs, reporting, and extensions?

The mission of the Southern Appalachian Highlands Conservancy is to conserve the scenic beauty, rural character, clean water, and unique plant and animal habitat of the mountains of North Carolina and Tennessee for the benefit of present and future generations. We achieve this by entering conservation agreements with landowners and public agencies, owning and managing land, and working with communities to accomplish their conservation objectives.

SAHC has protected more than 35,000 acres of special places since 1974, including more than 9,000 acres in Buncombe County. The County has approved grants to SAHC for the following projects:

Bill Duckett conservation easement	\$335,000	Completed June 2007
Jayne family conservation easement	\$425,000	Completed September 2007
Hearne Family conservation easement	\$542,500	Completed August 2008
Ray Hearne conservation easement	\$120,000	Completed November 2007
Joe Allowos	\$14,000	Completed December 2007
Steve Sloan	\$14,000	Completed December 2007
RJ Blazer conservation easement	\$145,500	To close September 2008
Beth Shook conservation easement	\$143,000	To close October 2008
Bee Branch conservation easement	\$799,000	To close November 2008
Hickory Nut Gap farm easement	\$748,000	To close December 2008

Is the proposed project strategically related to a long-term management plan or a regional or larger scale planning project? Briefly outline any ongoing or previous efforts to protect land or improve/restore water quality in or near the project. Describe how these and possible future efforts may complement the proposed project.

The tract is located near Reems Creek in the Craggy Mountains area, which the Buncombe Land Conservation Advisory Board identified as a priority for protection efforts. SAHC is in negotiation for additional conservation easements nearby. The tract is forested, and is near the Big Ivy unit of the Pisgah National Forest. The hardwood forest on this tract is uninterrupted up to Craggy Gardens and the Blue Ridge Parkway. This property is near more than 2,000 acres of conservation easements held by SAHC, including the Woodfin watershed, the Bob Brunk farm and the McCutchen property. Several landowners contiguous with the McElduff property are also interested in placing their land under conservation easement.

How will the organization guarantee the long-term maintenance and protection of LCAB's investment in the project?

The SAHC staff has extensive experience negotiating, drafting, completing, monitoring, and enforcing conservation agreements such as this proposed transaction. We conduct baseline inventories and monitoring for each conservation easement we hold, in accordance with national Land Trust Alliance standards and practices. SAHC has a full-time staff Stewardship and Conservation Planning Director, who oversees preparation of baseline documentation, monitoring and enforcement of SAHC conservation agreements. In this grant proposal, we are

requesting funds toward preparing baseline documentation of the conservation easement, on which a solid and dependable annual monitoring program will be based.

In the case of a conservation easement, does the applicant have a plan for acquiring and setting aside sufficient stewardship endowment resources to insure its ability to monitor, enforce and defend the terms of the easement into the future? What amount of funds has been calculated as necessary for upholding these stewardship responsibilities (please provide a copy of the calculation sheet)? What is the anticipated source of the funds?

Please see attached stewardship calculation worksheet. According to the worksheet, the ideal amount SAHC should set aside to ensure proper stewardship of this conservation easement is \$19,200. In the interest of closing this important project, SAHC will accept this conservation easement with a smaller stewardship fund of \$15,000, and rely on existing stewardship funds on hand to subsidize the obligations we are undertaking in this project. SAHC has a stewardship endowment at the Community Foundation of WNC, where funds for this purpose are held.

Does the organization have policies, procedures and experience to guide its stewardship program? Has the organization adopted the Land Trust Alliance Standards and Practices? Is the organization accredited with, or does it plan to pursue accreditation through, the national Land Trust Accreditation Commission?

Yes, SAHC has adopted LTA Standards and Practices, and intends to pursue accreditation. SAHC adheres to sound policies and procedures in monitoring and stewarding conservation easements. The organization employs a full-time Conservation Planning and Stewardship Director who oversees this program.

In the case of land to be acquired outright, what is the applicant's plan for long-term management of the property? Will the property be conveyed to (another) public agency for long-term management. Will there be sufficient funds available to ensure protection of the property's conservation values into the future?

Not applicable. The proposed project is to acquire a conservation easement. The fee simple interest will remain in ownership of the McElduff family.

Partnership: by working collaboratively, organizations and agencies can help share costs and strengthen projects by contributing a variety of organizational resources and expertise. LCAB encourages applicants to partner on projects with other organizations and agencies that might have a shared interest in the success of a conservation project. Has the lead applicant been in touch with other potential partners for this project? Is there a plan for sharing expertise and experience to strengthen long-term conservation?

Yes, SAHC is working closely with other partners that have a shared interest in the success of this conservation project. This includes the Buncombe County Farmland Preservation Board. The Farm Prosperity Project has provided the funding for SAHC to staff William Hamilton, Farmland Program Coordinator, who is working closely with SAHC staff and the landowners to facilitate and negotiate the conservation easement.

Project readiness: If the LCAB awards a grant for the project, how quickly can project be completed? Has the landowner signed an option, letter of intent, or other indication of their readiness to proceed under the terms of this grant request? What is the status of needed matching funds?

The family is eager to close the transaction in 2008.
Please see project budget on following page.

**Buncombe County Land Conservation Advisory Board (LCAB)
Land Conservation Grant Request Form**

V. Project Budget

Estimated Expenses & Revenue

Line Item	Estimated Total Expense.	Requested from Buncombe County	Contribution from Jim McElduff and Kathy Triplett
Conservation Easement donation	\$428,000	\$0	\$428,000
Survey	\$14,000	\$7,000	\$7,000
Baseline report	\$1,800	\$1,800	
Environmental due diligence & report	\$800	\$800	
Appraisal	\$7,000	\$5,800	\$1,200
Transaction negotiation, drafting of terms, and project troubleshooting	\$1,000	\$1,000	
Legal & closing fees	\$1,500	\$1,500	
Long-term stewardship fund	\$15,000	0	\$15,000
Recording Fee	\$100	\$100	
Total:	\$469,200	\$18,000	\$451,200

The purpose of LCAB grant funds is for the purchase of property or conservation easements and conservation of the property only; funds may not be used for the purchase of any improvements or debris on the property.

(*) List sources and dollar amounts of matching funds here

- 428,000** Landowner donation of value.
- 23,200** Landowner match for transaction and stewardship costs

(**) Briefly outline how the costs of the fee simple purchase or conservation easement were estimated and document as needed. How did you establish market price? ***Please note that LCAB cannot pay in excess of appraised value.***

Based on comparable land sales in the vicinity, we estimate the value of this land to be approximately \$660,000, and the conservation easement to be approximately \$428,000. The landowners are willing to make a 100% donation of the conservation easement, if we can help cover their transaction costs.

(***) Please provide documentation of how stewardship costs were calculated and the interest rate assumed. Include annual costs and hours for items such as monitoring, communications, data collection, maintenance, travel, and other costs (please specify). Please see next page.

VI. Attachments

Please Attach:

- Cover letter describing project
- Maps of Project
- Photos of Project

ESTIMATED STEWARDSHIP COSTS IN HOLDING CONSERVATION EASEMENT

Prepared: September 2008

Claxton Farm – Upper Flat Creek. 500 acres. Buncombe County, NC

Annual Monitoring

33 miles round trip from Asheville @ \$0.505/mi.	\$17
7 hours staff time @ \$30.00/hr.	\$210
<i>(Staff time includes estimated 1 hour roundtrip drive; 3 hours at property; 3 hours to label photos and maps, to draft and finalize report, etc.)</i>	
Supplies & costs associated with annual monitoring of this conservation easement: Incl. digital camera, color copies, storage, archival sleeves. Fax, phone, photocopies	\$30
Annual Monitoring Subtotal:	\$257

Responding to landowner questions & troubleshooting issues that arise

Includes questions about implementing landowner reserved rights. 4 hours staff time per year @ 30.00/hr.	\$120
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Enforcement

Assume one problem per 20 years, requiring forty hours of attorney time and eighty hours of staff time (note: this estimate of expenses does not approach the likely expenses in a worst case scenario).

40 hours attorney time @ \$180.00/hr.	\$7,200
80 hours staff time @ \$30.00/hr.	\$2,400
Total per 20 years:	\$9,600
Annual cost (20-year total ÷ by 20):	\$480

Signage/Marking Boundaries. \$400 every three years = \$100 per year. \$133

Total annual monitoring, response, enforcement & signage/boundary costs: **\$990**

Baseline Documentation. Excluded from this calculation. We have requested a \$1,800 line item in the County grant toward the cost of preparing the baseline document.

Contribution Calculation

Assume 7% interest on investment over twenty-year period, with interest of 2% being retained annually as new principal to prevent inflationary erosion of the endowment's value. What sum will generate interest of 5% (i.e., the difference between 7% and 2%) annually, to cover the estimated costs?

$$\frac{990}{x} = \frac{5}{100}$$

$$x = \$19,800$$

The ideal amount SAHC should set aside to ensure proper stewardship of this conservation easement is \$19,800. In the interest of closing this important project, SAHC will accept this conservation easement with a smaller stewardship fund of \$15,000, and rely on stewardship funds on hand to subsidize the obligations we are undertaking in this project. We intend to raise the \$15,000 through private donations. SAHC has a stewardship endowment at the Community Foundation of WNC, where funds for this purpose are held.