

2008 Annual Report

North Carolina Million Acre Goal

Presented to the Governor of North Carolina and the Environmental
Review Commission of the North Carolina General Assembly

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By the N.C. Department of Environment and Natural Resources
Division of Natural Resources Planning and Conservation

The Latest Numbers

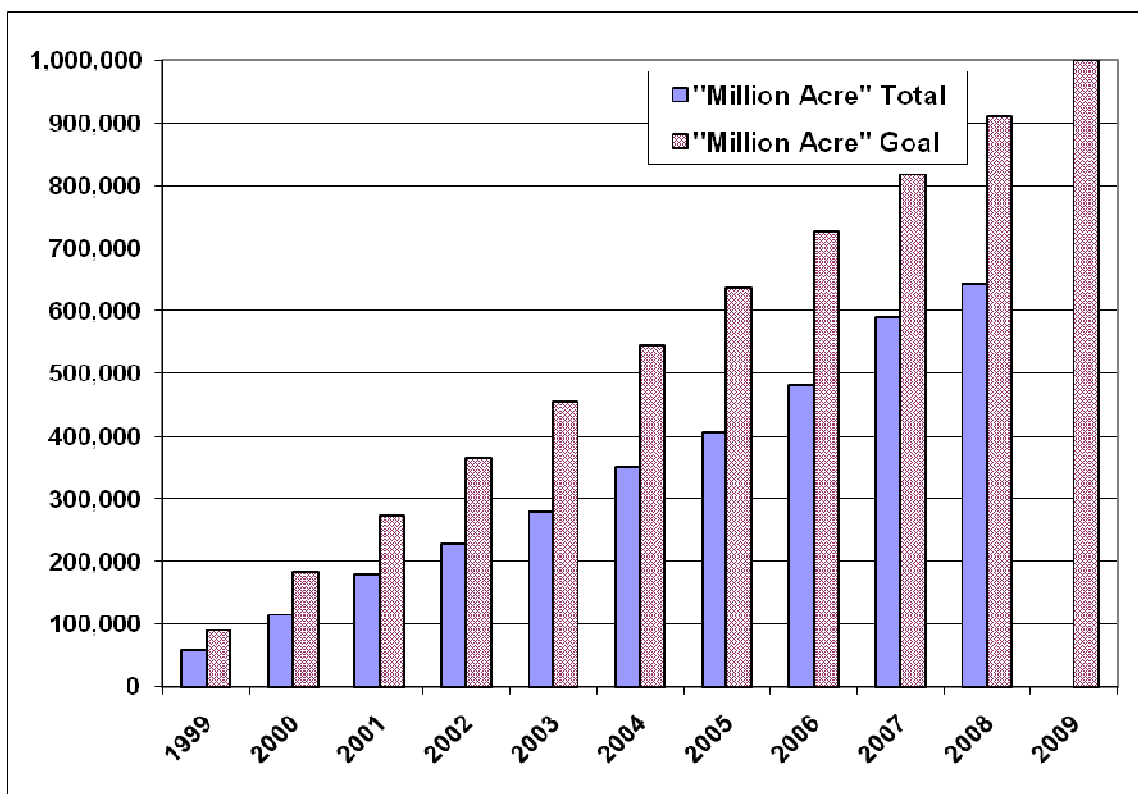
Public and private partners protected an additional **53,127** acres in 2008, bringing the total number of acres conserved under the Million Acre goal to **643,209**. This is a decrease in the rate of land protection in North Carolina from the previous year, due primarily to a reduction in funds available for conservation. The recent economic downturn both posed challenges and offered opportunities for those working in land conservation. On the one hand, a slower economy reduced development pressure and decreased land values. On the other hand, it also reduced revenue to the primary funding sources (North Carolina's conservation trust funds) and decreased private donations.

With limited funds available for purchase of property or conservation easements, 2008 remained a strong year for North Carolina's Conservation Tax Credit Program. Landowners continued to take advantage of changes to federal tax incentives and the Farm Bill that improve the financial incentives for conservation easement donations. Many of these donations were also eligible for the conservation tax credit through the North Carolina program. The changes are especially favorable to farmers and ranchers and have resulted in an increase in donations of conservation easements on agricultural lands. These changes are currently set to expire in 2009, however, so this effect may be temporary.

The table at the end of this report describes in detail the number of acres protected by sector (state government, local government, etc.), by program and by time period. To avoid confusion, only official reports of new acquisitions (from surveys, interviews and questionnaires) are counted in the final total. Estimates for non-respondents are not included.

The lands protected in 2008 represent important natural areas for habitat, recreation opportunities, working forests and riparian buffers that maintain water quality and protect floodplains, among others. Notable projects completed in 2008 include the expansion of Haw River State Park with the acquisition of the Bluegreen Corporation property once slated to become a residential golf course community. The addition of this 692-acre property, made possible through Certificates of Participation authorized by the General Assembly and administered by the Parks and Recreation Trust Fund, more than tripled the size of this relatively new state park. In another noteworthy acquisition, The Nature Conservancy acquired and transferred 3,375 acres to the Wildlife Resources Commission, completing a conservation effort begun 24 years earlier to protect the natural communities, rare species habitat and fisheries along the Alligator River. Thanks to the dedication of many partners, the entire 70-mile shoreline of the river is protected, making it the only river in North Carolina with that distinction. Additionally, North Carolina's 25 local land trusts protected 21,120 acres in 237 locations. This total represents a combination of fee simple acquisitions and conservation easements as well as real estate interests held by the land trusts and those transferred to other agencies. Table 1 illustrates our progress to date toward the Million Acre goal.

Table 1: Progress toward our goal of one million acres of permanently protected open space



With only one additional year to report, it is clearly evident that North Carolina will not meet its goal to permanently protect an additional million acres by Dec. 31, 2009 (G.S. 113A-240 and 241). In fact, at our current pace, land protection efforts do not even match the rate at which natural and agricultural lands are being lost to development in North Carolina, which currently amounts to about 100,000 acres per year. At the current average rate of land protection and funding levels, we will not reach the Million Acre goal until 2014.

Although they do not count toward the Million Acre goal (per the 2000 legislation), temporary conservation measures often contribute to the permanent conservation goals of the initiative. For example, the N.C. Natural Heritage Program maintains a registry of landowners who have voluntarily agreed to manage their land for the protection of a Significant Natural Heritage Area on their property. Currently more than 18,000 acres have voluntary protection as part of this program. Several of these agreements have led to permanent conservation measures. For example, the former Registered Heritage Areas at Mineral Springs Barrens and along the Scuppernong River on property owned by The Nature Conservancy are now owned by the N.C. Plant Conservation Program and N.C. Wildlife Resources Commission, respectively. These properties will become part of the state's system of Dedicated Nature Preserves, which are permanently protected through a legally binding agreement with the N.C. Department of Environment and Natural Resources to manage the land for conservation of its natural heritage values.

Also, the N.C. Division of Soil and Water Conservation oversees the Conservation Reserve Enhancement Program, which encourages farmers to place environmentally sensitive land near streams or water bodies into vegetative cover for a period of time. Since 1999, CREP has enrolled nearly 20,000 acres into the 30-year easement program. In May 2008, the North Carolina CREP program expanded from 34 eligible counties to 76 eligible counties. This means that an additional 28,000 farms are eligible for funding. Other conservation programs, such as the Wetlands Reserve Program or Wildlife Habitat Incentives Program authorized in the federal Farm Bill, encourage other conservation measures on private lands. In light of diminished state funding sources, these programs will become increasingly important.

The Program

In addition to working to increase the rate at which land is being protected in North Carolina, the Million Acre Initiative continues to work towards making information about land protection tools and techniques more broadly available, and to encourage conservation planning. As part of the One North Carolina *Naturally* program, the Million Acre Initiative and other partners continue to slowly but steadily increase awareness among North Carolinians about the need for additional land conservation to protect our valuable natural ecosystems.

The most significant improvement in this area is the statewide Conservation Planning Tool, developed by the staff of the One North Carolina *Naturally* program and introduced in 2007. The Conservation Planning Tool is a comprehensive reference that provides accurate information to support land use planning efforts. It uses scientific and strategic analysis to identify and prioritize the essential high quality natural resources across the state, as well as identify crucial protection gaps in our state's network of supporting ecosystems. The plan highlights opportunities for collaborative conservation that will contribute to sustaining the most significant natural resources across the state.

The plan consists of six assessments that identify the most essential and ecologically functional areas of land and water across the state. These assessments address two primary themes: ecosystem functions and ecosystem resources. Ecosystem functions comprise the essential supporting landscape needs for terrestrial wildlife and its habitat, requirements for aquatic wildlife and its habitat, overall landscape function and connectivity, and areas that are critical for maintaining ecosystem processes (e.g. wetlands, floodplains, stream buffers and fire-adapted systems). Ecosystem resources addresses the essential landscape needs that support agriculture, forestry, fisheries, water supply protection, recreation and open space. By the end of 2008, four of these assessments have been completed: Biodiversity and Wildlife Habitat, Open Space and Conservation Lands, Water Services, and Farmlands. The remaining two, Marine/Estuarine Systems and Forest Lands, were completed in early 2009. Each of these assessments will consist of a GIS data layer, which can be used on its own or in concert with the others. The CPT is available through an online interactive map viewer on the One NC *Naturally* Web site, as well as through data downloads for users with GIS software. Development of the assessments continues to be an iterative process with updates every six months.

The tool has received widespread support from a variety of sectors including nonprofit organizations, state and local agencies, metropolitan planning organizations, forest management companies and funding groups to inform decisions about conservation and/or land use planning. Users have praised the tool in applications ranging from preparing timber harvesting plans (Weyerhaeuser Company), creating regional bike and transportation plans (Lake Norman Regional Bicycle Plan), and developing regional scale conservation plans (Blue Ridge Forever). The Natural Heritage Trust Fund continues to rely on the tool to evaluate grant applications. Additional funding agencies are expected to follow suit as the applicable data layers are developed.

Use of this and other planning tools will help ensure that the limited funds available for conservation will be spent on the most significant resources and in the most efficient manner. Even the preliminary data has yielded new insights such as the locations of the most significant natural resource core areas and connectors that do not have formal protection. Future layers will identify areas critical to the protection of ecosystem resources from an economic perspective.

Looking Ahead

The year 2008 yielded below-average conservation gains due in part to decreases in a number of sources of conservation funding. As in previous years, the small amount of available federal funding for conservation places this burden on the state of North Carolina. Once again, requested funding (\$354,155,104 for 524 projects) exceeded funding awarded by the state's four major conservation trust funds (\$214,242,024 for 330 projects), which created a 40 percent shortfall, according to Land for Tomorrow.¹

As noted in earlier reports, it will be difficult to meet the Million Acre goal without a working lands component targeted towards maintaining local production of agricultural and forest products. While partners in agricultural conservation have made exciting progress in mapping priority areas, funding for farmland preservation and conservation of forestry lands remains in short supply. In its 2008-09 cycle, the Agricultural Development and Farmland Preservation Trust Fund received applications requesting \$29 million, with only \$7.6 million available. We look forward to including these protected acres in future Million Acre reports.

The primary finding and recommendation of the 2007 report from the Joint Legislative Commission on Land and Water Conservation was that "additional funding is needed to finance land and water conservation," and that "a larger dedicated source of revenue is needed to adequately address conservation and preservation needs." In recognition of this finding, the General Assembly authorized \$120 million in Certificates of Participation in the 2007-2008 budget. This action enabled a number of agencies to take advantage of significant short-term opportunities, such as Chimney Rock Park and the International Paper tracts. This is reflected in the increased rate of land conservation in 2007. Much like a bond, however, the 2007-2008 Certificates of Participation will have to be repaid by the Natural Heritage Trust Fund and the

¹ Land for Tomorrow. "2009 Green Book." Retrieved July 20, 2009. Available at http://www.landfortomorrow.org/stuff/contentmgr/files/919f2bf5f8c6858f149ddae88d53789c/misc/green_book_2009_lowres.pdf

Parks and Recreation Trust Fund, limiting the amount of funding available for conservation opportunities in the more distant future. This situation seemed poised to improve, however, with the General Assembly's authorization of \$50 million in Certificates of Participation that would have been repaid from the general fund. Due to lower-than-expected revenues, however, the legislature was forced to rescind this authorization, leaving many conservation projects in a questionable status.

Conclusion

With at least 383 acres of natural lands converted to residential and commercial development each day, the Million Acre Initiative is as important as ever. With the help of dozens of public and private partners, we have made significant progress towards the Million Acre goal. Nevertheless, with one year remaining to achieve the Million Acre goal, it has become clear that we will not reach that mark without additional funding for conservation. Coordinated planning efforts such as the statewide Conservation Planning Tool have made significant progress prioritizing areas for conservation in order to maximize both the cost-effectiveness and the long-term value of investment in conservation lands, but land costs are greater than when the Million Acre goal was announced. The tool is also helping to raise awareness – at local, regional and state levels – of the importance of planning for growth and protecting the natural resources that deliver so many benefits. Even though it will take longer than anticipated to achieve the *quantitative* Million Acre goal, we have made significant progress towards the *qualitative* goal at the heart of the initiative: “to protect the water quality, wetlands, drinking water sources, natural beauty and ecological diversity of North Carolina as well as provide opportunities for public recreation” in order to “provide a high-quality environment for present and future generations” (SL 2000-23).