



N.C. Natural Heritage Trust Fund **2010 FISCAL YEAR-END REPORT**

A Report to the Governor and General Assembly

Dee Freeman, Secretary
N.C. Department of Environment
and Natural Resources

J. Robert Gordon, Chairman
Board of Trustees
N.C. Natural Heritage Trust Fund

NORTH CAROLINA NATURAL HERITAGE TRUST FUND FISCAL YEAR-END REPORT 2010

Section 1 – Origins and Mission

The North Carolina Natural Heritage Trust Fund (NHTF) was established by the 1987 General Assembly (G.S. 113-77, effective July 1, 1987) as a supplemental funding source for state agencies to acquire lands and to pay for the inventory of natural areas by the N.C. Natural Heritage Program. A 12-member board of trustees administers the trust fund.

Section 2 – Board of Trustees

NHTF is delegated the authority to grant funds to eligible state agencies pursuant to applications that meet statutory criteria and board guidelines. The governing authority for the trust fund is a 12-member board of Trustees. This number was increased from nine members during the 2001 legislative session. Four members are appointed by the governor, who also designates the chairman. Eight members are appointed by the General Assembly; four are recommended by the president pro-tempore of the Senate and four are recommended by the speaker of the House. Appointments are made effective January 1 and are for staggered six-year terms. Persons appointed are to be knowledgeable in the acquisition and management of natural areas.

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Elizabeth “Robin” Jacobs
Orange County
2010-2015

Section 3 – Natural Heritage Trust Fund Staff

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In addition to the executive director, the NHTF is supported by Ann Prince (part-time) who works on dedications (a process that further protects lands acquired with NHTF monies pursuant to the Nature Preserves Act), and Eric Galamb (part-time) who assists in grant administration. NHTF also funded a real estate agent housed in the Department of Administration's State Property Office (SPO) to assist applicant agencies in developing and implementing NHTF-funded land acquisitions. Due to the significant reduction in funding and in the number of acquisitions, the NHTF terminated funding for the real estate agent position in January 2010. However, NHTF currently funds a temporary position in SPO that helps with scanning deeds and tracking acquisition expenditures.

Operating expenses for personnel, producing and distributing grant materials, meeting expenses, etc., continue to be below 2 percent of the program expenditure.

Section 4 – Funding Sources

The primary source of funding for the NHTF is the state excise tax on real estate conveyances. NHTF receives 25 percent of the state's portion of the \$2 per \$1,000 value deed stamp tax. The county retains half of this tax, while the state receives 50 percent, less allowable administrative costs.

The second major source of funding is a portion of the additional fee charged for personalized license plates. The state charges an additional fee of \$30 for each personalized license plate; \$15 of this additional fee is credited to the NHTF. NHTF also receives a portion for specialty license plates in some cases: \$10 for each "First in Forestry" license plate, \$15 for the "State Parks" license plate and \$15 for each out-of-state college specialty license plate.

The final source of funding is interest from funds in the trust fund account. Monies not expended remain in the interest-accumulating Natural Heritage Trust Fund account and do not revert to the General Fund.

Table 1 summarizes the NHTF income on an annual basis since its inception in 1987.

Section 5 – Grant Criteria and Eligible Agencies

Grants are awarded for the purposes of acquiring lands that:

- represent the state's ecological diversity to ensure their preservation and conservation for recreation, scientific, education, cultural and aesthetic purposes;

- add to the system of parks, state trails, aesthetic forests, wild and scenic rivers, fish and wildlife management areas and other natural areas for the beneficial use and enjoyment of the public; and
- help to develop a balanced state program of historic properties.

Funds are also allocated to the N.C. Natural Heritage Program for natural area inventories and conservation and protection planning of natural areas. These data are then used to help guide land management and conservation decisions by state and federal agencies, and also by private groups and businesses, ensuring that conservation dollars are spent strategically to protect the highest quality areas.

In 2004, the General Assembly also authorized the NHTF to be used to retire debt incurred by funding land acquisitions for the purposes listed above.

State agencies authorized to apply for grant awards are:

- Department of Environment and Natural Resources,
- Wildlife Resources Commission,
- Department of Cultural Resources, and
- Department of Agriculture and Consumer Services.

Priority consideration is given to protection of land having outstanding natural or cultural heritage values. Land with outstanding natural heritage values is land that is identified by the N.C. Natural Heritage Program as having state or national significance. Land with outstanding cultural heritage value is land that is identified, inventoried or evaluated by the Department of Cultural Resources.

Section 6 – Income

Between 1987 and June 30, 2010, NHTF has contributed to the protection of approximately 294,000 acres through 499 grants totaling more than \$319 million in funding (Table 2). The locations of these projects are shown on Figure 1.

As shown in Table 1, income for fiscal year 2010 was **\$13,108,654**, representing an overall decrease of more than 8 percent from the previous year (\$12,912,917) and a 45 percent decrease from the all-time high of fiscal year 2007 (income of \$23,964,497). The overall economy of the state remains depressed and NHTF income continues to decline, but at a slowing rate, as last year's decline was 28 percent. (Chart 1)

Section 7 – Awards

During fiscal year 2010, NHTF awarded 32 grants totaling \$18,337,916. These grants will contribute to the protection of more than 7,800 acres (Table 3).

NHTF typically holds two grant cycles per year; one in the fall and one in the spring. The locations of the Fall 2009 projects are shown in Figure 2 and project descriptions are contained in Table 4. The Spring 2010 project locations are shown in Figure 3 and project descriptions are contained in Table 5. Important to note in the project

descriptions is the leveraging of NHTF funds; many, if not most, include matching funding from federal, private and/or other state sources.

As discussed in last year's report, due to the anticipated budget shortfall, no Spring 2009 awards were made and projects previously funded using 2008 certificates of participation (COPS, see section 8 below) were considered unfunded. Therefore, many of the Fall 2009 awards were for projects resubmitted from the spring 2009 and/or to replace the 2008 COPS funding on older projects. NHTF continues to receive many more projects (49 percent historically) than can be funded. In fiscal year 2010, we received 50 applications requesting funding for more than \$43 million.

NHTF awards exceed income because some projects have come in under budget due to lower appraisals and thus lower acquisition costs – one benefit to continuing acquisitions in the down economy. In some cases, the owners are unwilling to sell at the lower prices and the funds are returned to NHTF to be reallocated. For example, Carver's Falls in Cumberland County, a Division of Parks and Recreation project, returned almost \$2 million as the owner was unwilling to sell at the appraised value. In another case, Whitehall Plantation in Bladen County, a Wildlife Resources Commission project, the cost to the state was reduced by more than \$400,000 when federal funding was received for a portion of the acquisition.

Section 8 – Certificates of Participation

Recognizing the need to protect important lands in our quickly developing state, the General Assembly authorized the use of a special financing mechanism referred to as certificates of participation during three legislative sessions – in 2004, 2007 and 2008. This form of bond sales allowed the state to acquire properties of high natural and/or cultural heritage value that would otherwise have been lost to development. NHTF now repays the debt and interest on the 2004 and 2007 COPS using annual receipts.

For fiscal year 2010, the COPS debt repayment was \$4,427,043 and will be similar in the coming fiscal year based on correspondence from the State Treasurer's Office. With an income of about \$13 million, the debt repayment represents more than 33 percent (one-third) of the NHTF income.

The 2008 legislative session authorization of COPS [S.L. 2008-107 Section 2.78(a)(28)] specified the issuance of \$50 million *to finance the acquisition of State park lands and conservation areas for the Land for Tomorrow initiative in the Department of Environment and Natural Resources (DENR) and in support of the conservation priorities of the One North Carolina Naturally program.* This \$50 million is split between the NHTF and the Parks and Recreation Trust Fund (PARTF).

To date, NHTF has issued grants using \$5 million of this 2008 COPS authorization. Due to budget shortfalls and economic downturn, the remaining \$20 million in COPS assigned to NHTF has been delayed until fiscal year 2012 based on session law 2009-209 (Technical Corrections to the Two-Thirds Bond Act of 2008.)

At its Fall 2009 meeting, the NHTF Board clarified that projects funded with the delayed 2008 COPS (approximately \$16 million) are now considered unfunded and applicants must reapply for new funding for those projects.

Section 9 – Effect of Economic Downturn on NHTF

The overall economy remained poor in fiscal year 2010. Fortunately, Gov. Perdue anticipated that income would be lower than expected and she reduced operating budgets across state programs accordingly. Approval of NHTF-funded land acquisitions by the Council of State slowed to prepare for possible budget shortfalls. Almost no projects were scheduled for review in the first half of fiscal year 2010. High priority projects began to move forward in February and acquisitions continue slowly using a prioritization approach.

Although no transfers from NHTF to the General Fund were needed at the end of fiscal year 2010, the General Assembly reduced the NHTF budget by transferring 5.48 positions from appropriations funding to NHTF (receipts) funding. This results in a decrease of available income for grants of \$401,658 in fiscal year 2011. These positions are in the Department of Environment and Natural Resources' Natural Heritage Program. Prior to this change NHTF funded 9 full-time and 3 part-time positions through the grant process for natural area inventorying and conservation planning.

The budget bill in session law 2010-31 Section 2.3(b) specifies that if necessary, the interest income from NHTF and other funds will be used to backfill the possible loss of federal funds. Though this provision could result in a reduction of approximately \$400,000 in NHTF available funds, it now appears that the federal government will extend the enhanced federal Medical Assistance Percentage as initially authorized under the American Recovery and Reinvestment Act of 2009.

Section 10 – Conclusions and Recommendations

The pace of acquisitions slowed dramatically during fiscal year 2010 in response to the overall state economy and reduced available funds. NHTF income has declined, and will likely decline or stay at the reduced level, as long as the economy remains weak. COPS debt repayment will likely remain at about one-third of total income, thereby reducing income available for grants.

Protecting our natural resources is key to our state's economic success. Many of our conservation lands buffer military sites and allow them to continue operating, supporting the \$23 billion per year that the military industry brings to North Carolina. Our outstanding natural resources are one of the main attractions supporting the \$16.5 billion per year tourism industry in North Carolina.

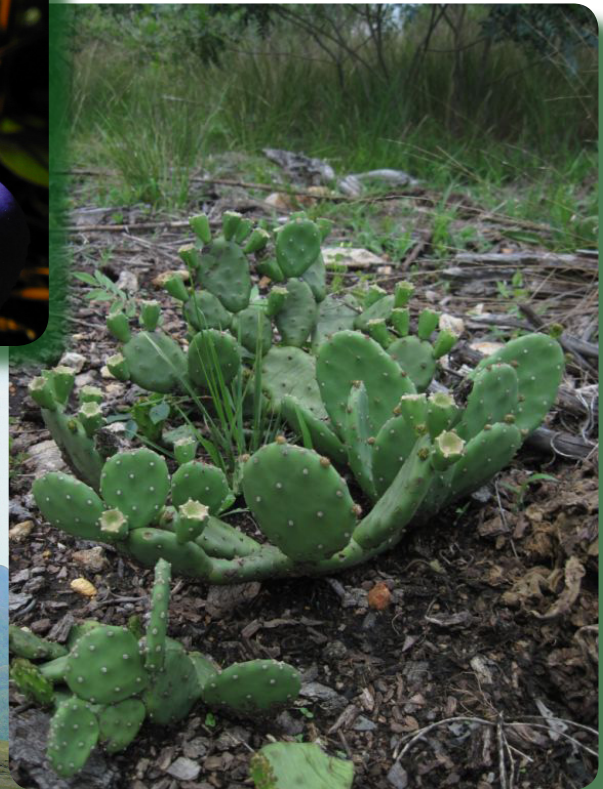
NHTF will continue to provide funds to help implement the state's Million Acre Initiative – a collaborative endeavor to permanently preserve an additional one million acres of land. Although acquisitions are being delayed, NHTF hopes to be able to take advantage of opportunities provided by the economic downturn. Many of the projects we

have authorized are coming in under budget as prices decline. NHTF must continue to encourage creative funding of projects through bargain sales, matching funds from other grant programs and private donations. The statewide One NC Naturally Conservation Planning Tool, developed in part by a grant from NHTF, is helping NHTF and other organizations ensure that the state's limited resources are used most effectively on the highest priority areas.

Gentiana



Uwharrie Mt. Cactus



Yellow Mountain

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Table 1
Natural Heritage Trust Fund
INCOME BY FUNDING SOURCE
as of June 30, 2010

Fiscal Year	Personalized License Plates	Transfer Tax	Interest	TOTAL INCOME
Original Appropriation				\$275,000
1987-88	\$0	\$0	\$15,546	\$15,546
1988-89	\$0	\$0	\$24,316	\$24,316
1989-90	\$1,073,165	\$0	\$53,766	\$1,126,931
1990-91	\$1,761,140	\$0	\$144,662	\$1,905,802
1991-92	\$1,627,304	\$1,326,848	\$232,156	\$3,186,308
1992-93	\$1,661,943	\$2,012,107	\$309,750	\$3,983,800
1993-94	\$1,713,091	\$2,089,776	\$326,920	\$4,129,787
1994-95	\$1,787,029	\$3,579,453	\$393,892	\$5,760,374
1995-96	\$1,856,167	\$3,134,801	\$335,131	\$5,326,099
1996-97	\$1,914,104	\$6,019,264	\$616,282	\$8,549,650
1997-98	\$1,930,813	\$6,949,967	\$1,080,042	\$9,960,822
1998-99	\$2,004,740	\$8,148,689	\$1,396,073	\$11,549,502
1999-2000	\$2,189,995	\$8,599,107	\$1,925,497	\$12,714,599
2000-01	\$2,386,509	\$8,412,962	\$1,845,783	\$12,645,254
2001-02	\$4,622,580	\$6,570,386	\$1,183,199	\$12,376,165
2002-03	\$2,550,269	\$9,494,785	\$508,397	\$12,553,451
2003-04	\$3,067,375	\$12,365,476	\$405,251	\$15,838,102
2004-05	\$5,028,710	\$13,810,698	\$492,612	\$19,332,020
2005-06	\$3,978,992	\$18,779,600	\$880,832	\$23,639,424
2006-07	\$4,227,510	\$18,611,071	\$1,125,916	\$23,964,497
2007-2008	\$4,353,457	\$15,195,744	\$1,255,164	\$20,804,364
2008-2009	\$4,365,328	\$9,009,424	\$919,964	\$14,294,716
2009-2010	\$ 4,154,435	\$8,551,078	\$ 403,141	\$13,108,654
Total Income	\$58,254,656	\$162,661,236	\$15,874,292	\$237,065,183

Chart 1
 Natural Heritage Trust Fund
 NHTF INCOME - FISCAL YEAR
 Table 1 - Charted

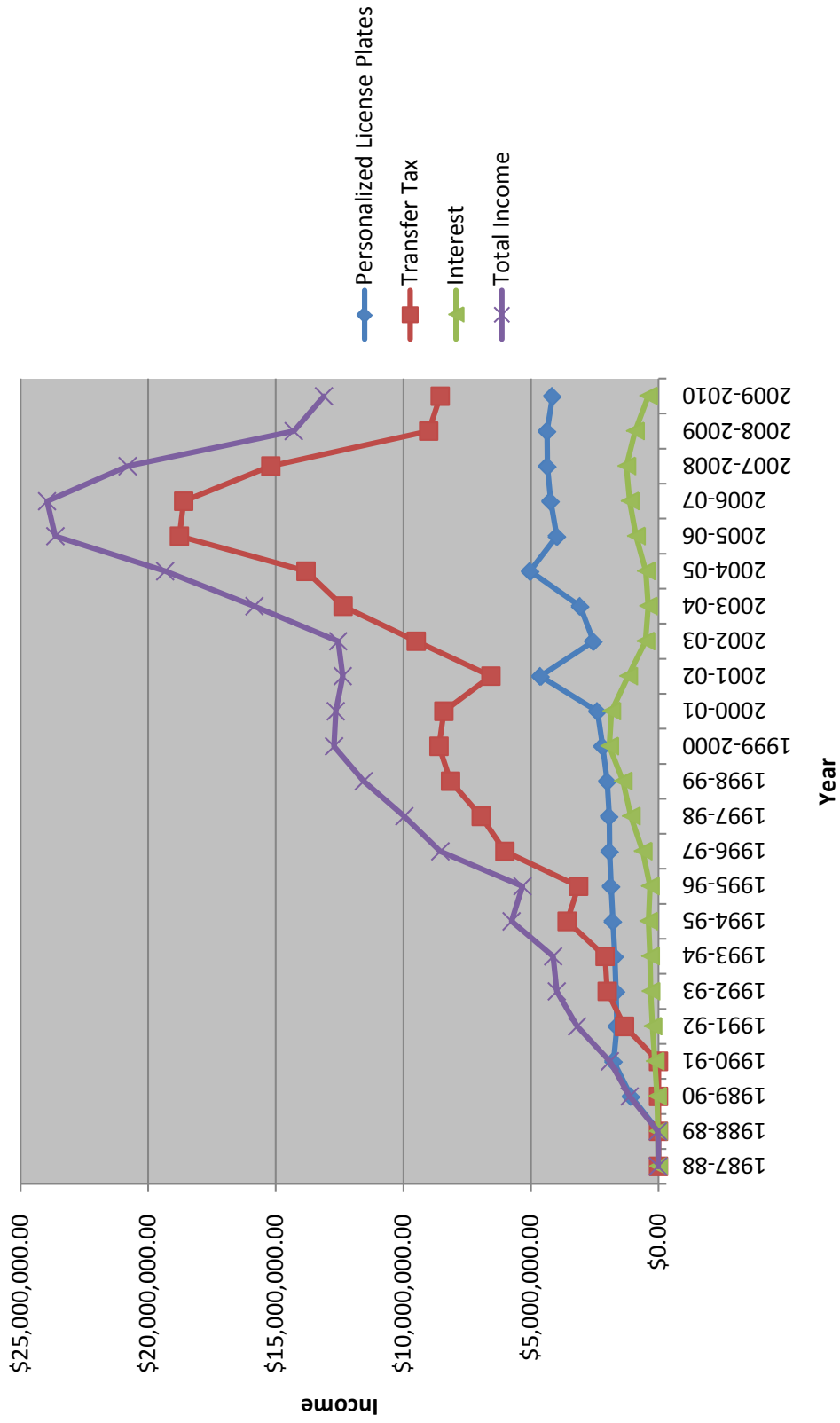


Figure 1
Natural Heritage Trust Fund
PROJECT LOCATIONS
1988-JUNE 2010

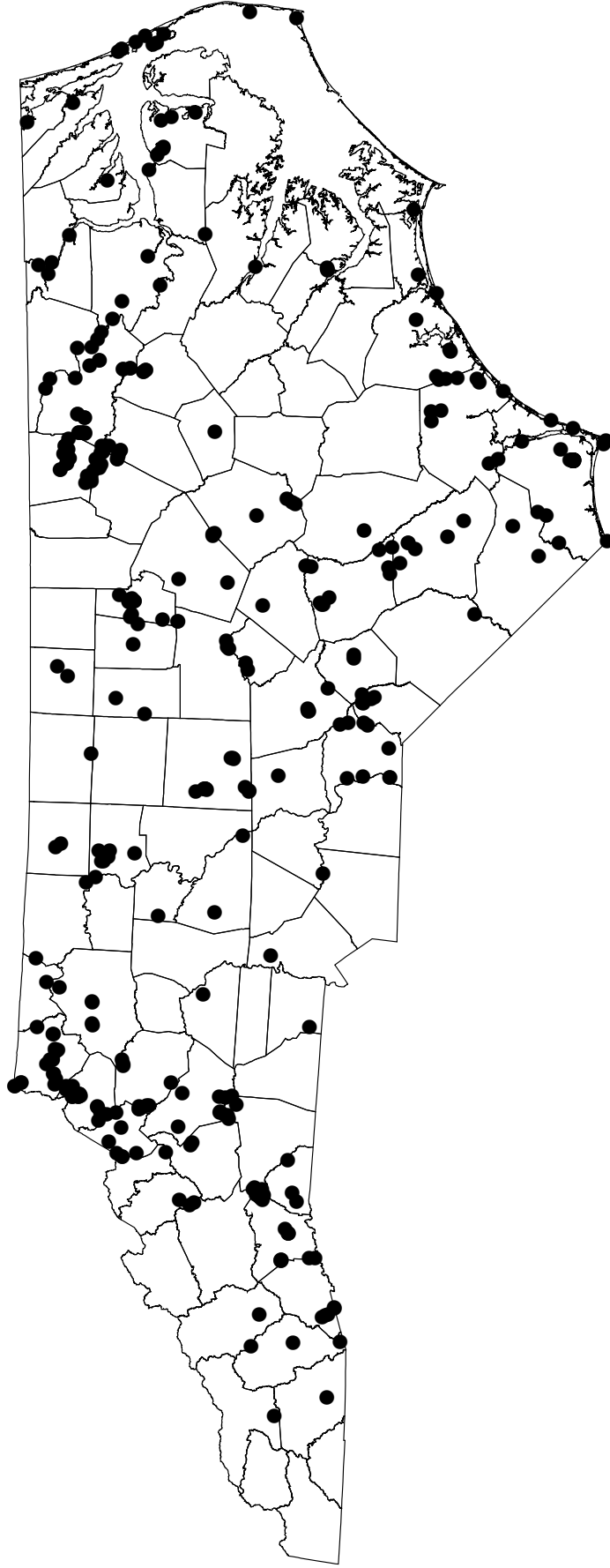


Table 2
Grant Awards Summary
1987 – June 30, 2010

Total Awarded to Date (since 1987) (499 awards)	\$319,325,703
Returned Funds (Applicant unable to acquire land; award money returned to NHTF)	\$42,911,553
Total Transferred (spent)	\$246,554,746
Total Obligated	\$28,859,404
Acres Protected	294,420 acres
Requests to Date (718 requests)	\$630,664,484
Requests Unable to Fill (49%)	\$311,338,781

Table 3
Grant Award Totals by Agency
Fiscal Year 2010

Agency	Acres	Grant Total
Department of Agriculture & Consumer Services <i>Plant Conservation Program</i> (8 grants)	955	\$2,924,880
Department of Cultural Resources (3 grants)	550	\$1,042,310
Department of Environment and Natural Resources (13 grants)	3,392	\$9,590,230
Wildlife Resources Commission (8 grants)	2984	\$4,780,496
Total (32 grants)	7,881	\$18,337,916

TABLE 4
NHTF Fall 2009 Awards - Summary

No. on Map	Agency	Project Title	County	Grant Total	Acres	Description
1	WRC	Terry Tract - South Mountains	Rutherford	\$1,398,740	260.82	Acquisition of the Terry tract is particularly significant in N.C. as it is currently an inholding in South Mountains Game Land. State ownership of the tract will help ensure ecosystem integrity of the area, reduce fragmentation, increase public access, and allow for more efficient management of the game land. Management objectives will include restoring priority wildlife habitats and providing public recreational and educational opportunities. Request is increased from the (\$821,740) Spring 2009 application as CWMTF matching monies proposed at \$1,043,000 would not be available for at least a year. \$7,000/acre. Private donation \$466,000.
2	WRC	Johnson Tract - Pond Mountain	Ashe	\$463,500	109.00	The Johnson tract is the first of several expected opportunities to expand the adjacent Pond Mountain (pending) major acquisition. This tract will serve as a significant wildlife and ecological corridor from the adjacent National Forests in Tennessee and Virginia south to conservation areas in North Carolina such as Three Top Mountain, other Game Lands, various Natural Heritage areas and the Pisgah National Forest. Along with Pond Mountain, the Johnson tract offers a unique opportunity to manage for a host of state listed and SWAP priority species that require habitat types which are rare in N.C.. The majority of the tract contains northern hardwood forest. The tract also serves as the headwaters of Big Horse Creek further complementing our anticipated purchase of Pond Mountain. The Johnson tract will be entered into the Game Lands Program and will offer a variety of dispersed recreational opportunities to the public. WRC has closed on part of the tract using the Fall 2008 NHTF previous grant of \$764,670. Total cost now slightly less than the originally expected \$1,721,770 as appraisal came in lower than estimated. Private donation of \$232,000. ~\$6,300/acre
3	WRC	Harmon Tract - Sandhills Game Land	Richmond/Scotland	\$605,000	232.00	The Harmon Tract will act as a habitat connector between two currently fragmented blocks of the Sandhills Game Land, as well as adding additional acreage for public hunting, fishing and outdoor recreation space in Richmond and Scotland Counties. It will provide future Red-cockaded woodpecker (RCW) habitat as well as a habitat corridor to connect the currently isolated Block T with the much healthier Block B population of RCWs. Original request to NHTF was \$358,000 but was increased to cover the portioned previously proposed as CWMTF matching funds (\$246,500). \$2,607/acre
4	WRC	King Mountain - Uwharrie National Forest	Randolph	\$342,580	355.00	This tract contains important terrestrial and aquatic habitats and rare species. It is an integral connector for recreation and habitat between two US Forest Service (USFS) properties. The property has a five-acre USFS inholding at the peak, the highest point in the Uwharrie National Forest. The tract contains 3 natural heritage elements and fills a crucial gap in the Uwharrie National Recreational Trail. It is also in a Schweinitz's sunflower management corridor identified by the Plant Conservation Program, connecting populations on USFS and PCP land. This is one of few sites where Schweinitz's sunflowers exist in the interior of a property, away from remnant populations along roadways where most sunflowers are found. WRC to manage as part of Uwharrie Game Land, a highly used game land. Total project cost \$1,696,500. \$4,778/acre. Awaiting possible federal grant to close project.

TABLE 4
NHTF Fall 2009 Awards - Summary

No. on Map	Agency	Project Title	County	Grant Total	Acres	Description
5	WRC	Ducote Tract - Franklin Bog Addition	Henderson	\$98,540	7.48	Ensure through acquisition, protection of an additional 7.48 acres of land in Henderson County that has supported one of the largest known populations of bog turtles (State Threatened; Federally Threatened due to similarity in appearance in N.C.) in the state and perhaps all of the Southeast. More than 130 bog turtles have been captured, identified and monitored at this site over the past 30 years. Partner CMLC to transfer donated acreage valued at \$16,400; CMLC applying for USFWS for restoration and habitat grant. After appraisals, land price may be bargain sale. Total project cost \$114,940; \$12,620/acre
	WRC		Subtotal	\$2,908,360	964.30	
not on map	DENR/ NHP	Natural Area Inventories	multiple	\$425,000	N/A	This funding will allow staff to conduct multiple inventories and provide natural area inventory expertise in support of conservation actions such as registry, dedication, establishment of easements, and acquisition. As of January 2009, comprehensive natural area inventories have been completed for 82 of North Carolina's 100 counties. County governments and municipalities use these inventories to help plan for growth and development in balance with the natural environment. State agencies, national conservation groups and local land trusts rely on Natural Heritage data to make informed decisions about land and water use and to prioritize site conservation. Requested two year's funding but award covers only one year.
6	DENR/ DPR	Carvers Creek State Park- Clark II	Cumberland	\$825,000	1,263.00	Clark II tract is located between existing state ownership and Fort Bragg and is a large part of the Clark Sandhills SNHA. This tract is critical to the establishment of Carvers Creek State Park. The Clark II tract connects the existing state ownership to Fort Bragg permanently protecting this outstanding matrix of Sandhills natural communities and Red-cockaded woodpecker habitat. Much of the tract is nationally and state significant and contains much of the headwaters of Carvers Creek. \$9,133/acre. \$732,587 of grant is in 2007 COPS. Also, moved \$401,500 in cash and \$791,000 in additional 2007 COPS funding from the Carvers Creek - Carvers Falls tract to this tract as the Carvers Falls owner is unwilling to sell at appraised value. Total grant is now \$2,017,500 from NHTF with matching PARTF and Military funds to total \$11,315,000.
7	DENR/ DPR	Gorges State Park, Phase IV (Hoxit)	Transylvania	\$487,500	75.00	This tract is located adjacent to existing Gorges State Park, which was established to protect the natural resources in the escarpment gorges and to provide outdoor recreation in the southwestern part of the state. There are 23 rare plant and animal species found in the Gorges State Park project area. The Gorges State Park project area encompasses the Toxaway River Gorge SNHA and is part of the Escarpment Gorges Megosite. Both of these are nationally significant. ON.C.e acquired, the Hoxit tract will be managed as part of the Gorges State Park for the protection of the natural resources and water quality. \$106,202 of grant will be in 2008 COPS monies. \$13,000/acre. Matching PARTF funding.

TABLE 4
NHTF Fall 2009 Awards - Summary

No. on Map	Agency	Project Title	County	Grant Total	Acres	Description
8	DENR/ ZOO	Bachelors Creek Nature Preserve	Randolph	\$654,455	160 acres	The tract is significant in size and in protection of wildlife habitat and greenway corridor linking the zoo to other natural areas in N.C. including the nationally significant Deep River aquatic habitat. Easily accessible by highly populated areas. Previous NHTF grant of \$1,039,034 was made in Spring 2008 for 184 acres of mature forest uplands. This new grant replaces a CWMTF grant for the remaining 160 acres of headwater stream buffer that was awarded August 2008 but the funds have been delayed. ~\$5,000/acre
9	DENR/ DPR	Yellow Mountain State Natural Area-Rhyme Tract	Avery	\$1,218,500	466.00	Acquisition of 466 acres will protect important natural resources in the Nationally Significant Yellow Mountain State Natural Area. The site supports a variety of high quality natural community types that are largely intact and are known to support a variety of rare species. The natural community types in N.C. include Northern Hardwood Forest, High Elevation Red Oak Forest, High Elevation Seep, and Grassy Bald. The tracts are proximate to the Big Yellow Mountain Preserve, owned by TN.C., and the Roan Mountain Preserve, owned by the Southern Appalachian Highlands Conservancy. Acquisition of these tracts will help protect a widely recognizable and visible peak and ridge system and contribute to the connectivity of 17,000 acres of protected land, in N.C. including nearby Roan Mountain in the Pisgah National Forest. Tracts were advertised for sale on the open market. Originally funded by 2008 CWMTF grant of \$2.2 million and PART 2008 COPS. These NHTF funds replace the CWMTF monies which are likely not available for over a year. \$106,202 of the grant will be in 2008 COPS. \$9,500/acre. Private donation of \$775,000.
10	DENR/ DCM	Kitty Hawk Woods - Hard Tract	Date	\$80,590	16.04	Kitty Hawk Woods Coastal Reserve is one of the largest (ca. 1,900 acres) maritime forests on the Outer Banks. The extensive maritime forest occupies a relic beach ridge and swale system. The ridges are comprised of Maritime Deciduous Forest while the swales support Maritime Swamp Forest and coastal marsh. According to NHP, both community types are globally extremely rare. Kitty Hawk Woods and Nags Head Woods are the state's only extensive occurrences of Maritime Deciduous Forests. The Hard Tract contains examples of both the Maritime Deciduous Forest and Swamp Forest, which have extreme ecological importance in N.C. The tract identified for acquisition is located adjacent to the Reserve, which has been designated by NHP as a Nationally-significant SNHA. Received \$87,500 from NHTF last cycle. Earlier request to US Fish & Wildlife Service for matching funds denied because state match was too low. These additional state funds will likely bring a 100% match in federal funding from US FWS. Total cost \$350,000.

TABLE 4
NHTF Fall 2009 Awards - Summary

No. on Map	Agency	Project Title	County	Grant Total	Acres	Description
11	DENR/ DPR	Chimney Rock State Park - McKay Tract, Rumbling Bald	Rutherford	\$239,685	17.00	DPR requests funds for the acquisition of 17 acres for Chimney Rock State Park. As part of both the Southeastern Escarpment Megasite and the Hickory Nut Gorge Macro-site, this project is part of a larger conservation effort in N.C. including TN.C.'s Bat Cave and Rumbling Bald Preserves. Because of the project area's position on the eastern edge of the Blue Ridge Escarpment, it hosts distinctive geological features and a large diversity of natural community types. The McKay tract is within the Rumbling Bald Mountain significant natural heritage areas. The property will be part of Chimney Rock State Park and will be managed for the protection and interpretation of the natural resources. \$29,400/acre. PARTF matching grant needed.
	DENR		Subtotal	\$3,930,730	1,837.04	
12	DCR	Historic Bethania Land Acquisition - God's Acre Woods	Forsyth	\$195,500	9.95	Grant is for purchase 9.95 acres in fee simple for the purpose of providing additional scenic buffer and protection for the Bethania National Historic Landmark District, in partnership with the Piedmont Land Conservancy. Acquisition of the subject property will provide substantial visual protection for the historic God's Acre cemetery of the Bethania Moravian Church as well as the African-American cemetery associated with the adjoining AME Zion Church, both significant historic sites. The proposed property is listed as the top priority in the Bethania Open Land Protection Priority Plan and is likely the last remaining large tract of land in Bethania. This acquisition will complement the eight projects of nearly 170 acres previously protected by DCR through a long-term project to protect the Bethania National Historic Landmark District. \$19,648/acre
13	DCR	Rose Creek - Overmountain Victory Trail Land Acquisition	Mitchell	\$720,910	535.00	DCR is partnering with the Conservation Trust for North Carolina (CTN.C.) and WRC to acquire a 535 acre parcel along the Blue Ridge Parkway, for the purpose of protecting a key portion of the Overmountain Victory National Historic Trail and the scenic and natural vistas visible from the historic Blue Ridge Parkway. This property is directly across the Parkway from the proposed CSX easement at Hefner Gap - partially funded by the NHTF. The proposed tract includes a significant section of the Overmountain Victory Trail (OVT) extending from Jackson Town Rd. to Hefner Gap (where it continues through the CSX easement area). It contains two miles of highly visible frontage along the Blue Ridge Parkway. The proposed property will be managed by WRC as part of their Game Land program. The 1.5-mile section of the OVT will be open for public use by hikers and historians. Total match of \$4,968,906 confirmed: \$3,753,906 from CWMTF, \$1,140,000 private donation/CTN.C., and \$75,000 DPR's Trails Program.
	DCR		Subtotal	\$916,410	545	

TABLE 4
NHTF Fall 2009 Awards - Summary

No. on Map	Agency	Project Title	County	Grant Total	Acres	Description
14	DACS/PCP	Tater Hill Preserve- Ball Tract Addition	Watauga	\$180,000	40.00	Grant is for partial funding to acquire the Ball tract as an addition to the Tater Hill Plant Conservation Preserve. The Preserve has been a long standing priority for NHTF and at least seven previous grants have been made for acquisition efforts to protect a number of rare plant species and natural plant communities. This tract includes the northern edge of Rich Mountain as it drops off to the north. As such, the tract forms the northern boundary of the nationally significant ranked area and would adjoin existing Preserve land to the south, as well as a pending purchase to the north (Greer tract). Additional funding is needed to close project.
15	DACS/PCP	Tater Hill Preserve - Greer Tract Addition	Watauga	\$1,505,500	186.00	This grant is to provide monies to replace a NHTF grant funded with currently delayed 2008 COPS. The Greer Tract extends up the lower and middle slopes of Rich Mountain and would form the northern Preserve boundary on the protected. Staff have been working with Mr. Greer for years and surveys of the property located additional rare species not previously recorded by NHP. The owner has 320 acres that PCP eventually would like to acquire; this represents a 186-acre portion of that acreage. Private donation of \$376,000 will be used to extend the option.
116	DACS/PCP	Eastwood Preserve - Larsen Tract Addition	Moore	\$339,000	43.00	This acquisition will add 43 acres to the Eastwood Plant Conservation Preserve. This additional acreage has been a priority in the project in the option. DACS/PCP staff worked with Larsen to delineate acceptable boundary on the ground, which will require subdivision of three existing parcels. Previous NHTF grants have been awarded three times. This Preserve is designed to protect the state endangered Sandhills Lily (Lilium pyrophilum) and other native plants found in upland longleaf forests and associated seepage wetland habitats. Restoration and management of these habitats, on the protected, is the number one management priority for the developing Preserve. Additional funding needed to complete project.
17	DACS/PCP	Boiling Spring Lakes - Management Areas 2, 7 and 22	Brunswick	\$220,000	547.00	Funding is for continued acquisition of inholdings in critical areas of the preserve. Boiling Spring Lakes (BSL) has been a focus of acquisition efforts since 1999, with NHTF supplying majority funding since that time. N.C. DA has focused acquisition efforts by TN.C. into the most critical areas to support management efforts. The Preserve, now exceeding 6,000 acres in size, features an outstanding complex of natural communities as well as a collection of rare plant and animal species. The Venus flytrap (Dionaea muscipula), and the federally endangered rough-leaf loosestrife (Lysimachia asperulifolia) are notable examples of some of the many rare plant species known to be present. Protecting and restoring the natural habitats and rare species populations is the overarching management goal upon acquisition, with a significant portion of the effort focused on reintroducing controlled burns across the Preserve. Request includes \$20,000 for management costs.
	DACS/PCP		Sub Total	\$2,244,500	816.00	
		TOTAL ALL GRANTS (18)		\$10,000,000	4,162	Note: DENR's Natural Area Inventory Grant is the 18th grant (not on map)

TABLE 4
NHTF Fall 2009 Awards - Summary

No. on Map	Agency	Project Title	County	Grant Total	Acres	Description
	N.C. = North Carolina					SNHA = Significant Natural Heritage Area
	DCR = N C Department of Cultural Resources					PARTF = Parks & Recreation Trust Fund
	DACS = N C Department of Agriculture and Consumer Services					CWMTF = Clean Water Management Trust Fund
	PCP = Plant Conservation Program					WRC = N.C. Wildlife Resources Commission
	DENR = N.C. Department of Environment and Natural Resources					SWAP = WRC's State Wildlife Action Plan
	DPR = Division of Park & Recreation					TN.C. = The Nature Conservancy
	DFR = Division of Forest Resources					CMLC = Carolina Mountain Land Conservancy
	NHP = N.C. Natural Heritage Program					ACUB = Army Compatible Use Buffer Program
	DCM = Division of Coastal Management					USFWS = United States Fish and Wildlife Service
	DWR = Division of Water Resources					CPT = Conservation Planning Tool

Pipsissewa flower



Figure 2
 Natural Heritage Trust Fund
AWARD PROJECT LOCATIONS
FALL 2009

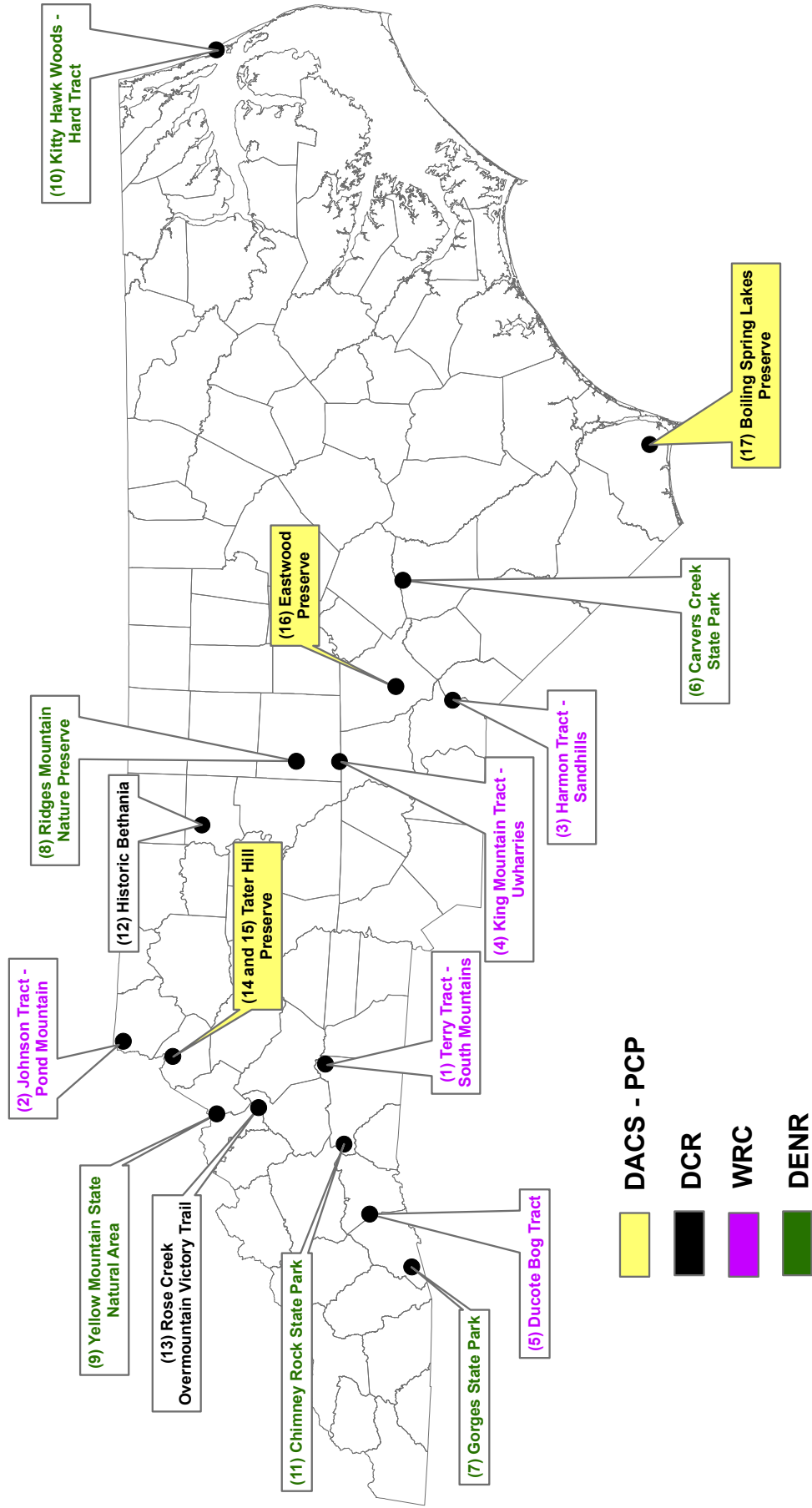


Table 5
NC. Natural Heritage Trust Fund
Spring 2010 Awards -- Summary

Tab No.	Agency	Project Title	County	Grant Amount	Acres	Description
I-1	DENR/ NHP	Conservation Planning	multiple	\$257,000	N/A	In the two years since it was made available, the N.C. Conservation Planning Tool has proven to be useful in informing and guiding conservation actions in North Carolina. Now that the basic structure has been developed, several additional steps have been identified to improve its usefulness and to enhance implementation. These steps are: 1) Outreach To Owners of Natural Areas – inform owners of high priority areas of the significance of their property and assess their conservation interest, 2) Work with Wildlife Resources Commission to improve integration of CPT with NC Wildlife Action Plan, 3) Conduct inventories and air photo analysis to <i>identify and evaluate critical corridors</i> to link important natural areas, 4) Improve Web Interface/Data Delivery – better data delivery is needed to support non-GIS based use of the CPT, and 5) Work with local government/state agency planners to ensure proper use of the CPT information.
I-2	DENR/N HP	Natural Area Inventories	multiple	\$425,000	N/A	This funding will allow staff to conduct multiple inventories and provide natural area inventory expertise in support of conservation actions such as registry, dedication, establishment of easements and acquisition. As of January 2009, comprehensive natural area inventories have been completed for 82 of North Carolina's 100 counties. County governments and municipalities use these inventories to help plan for growth and development in balance with the natural environment. State agencies, national conservation groups and local land trusts rely on Natural Heritage data to make informed decisions about land and water use and to prioritize site conservation. Requested two year's funding: Fall 2009 awarded one year and this followup is to complete the request.

Table 5
NC. Natural Heritage Trust Fund
Spring 2010 Awards -- Summary

Tab No.	Agency	Project Title	County	Grant Amount	Acres	Description
1	DENR/ DPR	Chimney Rock State Park - Round Top (Freeman Tract),	Rutherford	\$1,087,500	105	As part of both the Southeastern Escarpment Megasite and the Hickory Nut Gorge Macrosite, this project is part of a larger conservation effort including TNC's Bat Cave and Rumbling Bald Preserves. Because of this project's position on the eastern edge of the Blue Ridge Escarpment, it hosts distinctive geological features and a large diversity of natural community types. The area contains a number of rock houses and small fissure caves as well as extensive, high quality examples of several community types, including low elevation rocky summit, low elevation granitic dome and a unique community described as a semi-exfoliated basic glade. At least nine significantly rare plants have been documented on or very near the subject properties, two of which are federally endangered, and four rare, special concern animals have been found in close proximity to the project area and have the potential to be found on site as well. The tracts in this project are within the Rumbling Bald Mountain and Chimney Rock / Stony Mountain significant natural heritage areas. Once acquired, these properties will be part of Chimney Rock State Park and will be managed for the protection and interpretation of the natural resources. Proposed \$1,372,500 PARTF match; \$15,000 and \$29,000/acre. Grant provides funding for the Freeman tract, but not the Rumbling Bald (\$225,000) tract as no option or contract has been finalized. Recycled 2007 COPS will be used for this acquisition (\$1,058,930). TNC will donate Rainbow Fall tract as part of this transaction.
2	DENR/ DPR	Yellow Mountain State Natural Area- Indian Saddle	Avery	\$490,000	104	Tract acquisition helps protect Nationally Significant Yellow Mountain State Natural Area. The primary natural community types on this site is Northern Hardwood Forest. The tracts are proximate to the Big Yellow Mountain Preserve, owned by TNC and the Roan Mountain Preserve, owned by the Southern Appalachian Highlands Conservancy. The site will be managed for the protection of significant natural resources and to provide interpretation of its ecosystems. Acquisition of this tract will help protect a widely recognizable and visible peak and ridge system and contribute to the connectivity of 17,000 acres of protected land, including nearby Roan Mountain in the Pisgah National Forest. Proposed \$517,000 PARTF match. \$9,425/acre
3	DENR/ DPR	New River State Park - Darnell Tract	Ashe	\$500,000	83	Tract is important natural resource adjacent to New River State Park. The South Fork of the New River, which flows through the park, enjoys designation as both a National and State Scenic River. The site supports a variety of high quality natural community types that are largely intact and are known to support a variety of rare species. Acquisition of this tract would preserve much of the locally important Little Peak significant natural area and help protect water quality. NHTF increased grant from \$250,000. Pending 2010 CWMTF grant of \$537,500 and PARTF \$277,000. \$12,500/acre

Table 5
NC. Natural Heritage Trust Fund
Spring 2010 Awards -- Summary

Tab No.	Agency	Project Title	County	Grant Amount	Acres	Description
4	DENR/ DPR	Carvers Creek State Park- Clark II	Cumberland	\$2,900,000	1263	Clark II tract is located between existing state ownership and Fort Bragg and is a large part of the Clark Sandhills SNHA. This tract is critical to the establishment of Carvers Creek State Park. The Clark II tract connects the existing state ownership to Fort Bragg permanently protecting this outstanding matrix of Sandhills natural communities and Red-cockaded woodpecker habitat. Much the tract is nationally and state significant and contains much of the headwaters of Carvers Creek. \$9,133/acre. Previous grant of \$2,017,500 in 2007 COPS with some (\$493,913) cash. Total grant is now \$4,917,500 from NHTF with matching PARTF and Military funds to total \$11,315,000.
	DENR		<i>Subtotal</i>	\$5,659,500	1,555	
5	DACS/ PCP	Tater Hill Preserve- Ball Tract addition	Watauga	\$210,000	40	This proposal requests funding needed to complete acquisition of the Ball tract as an addition to the Tater Hill Plant Conservation Preserve. Previous funding was 50 percent of needed amount to complete the transaction. The overall project area has been a priority for protection efforts for many years and the NHTF Board has awarded at least seven previous grants for acquisition efforts there. This parcel provides a linkage between the existing Preserve and the pending acquisition of the Greer tract. The Preserve is designed to protect a number of rare plant species and natural plant communities. Rare plants present include Gray's lily (<i>Lilium grayi</i>), American fly-honeysuckle (<i>Lonicera canadensis</i>), Tall larkspur (<i>Delphinium exaltatum</i>), and long-stalked holly (<i>Ilex collina</i>). Protecting the rare plant species and natural habitats present on the Preserve from incompatible land use is the primary protection and management goal. \$9,000/acre. Previous \$180,000 NHTF grant. Contingent on moving forward with Greer tract.
6	DACS/ PCP	Hebron Road Plant Conservation Preserve -- Danube Partners Tracts	Durham	\$230,880	40	Acquisition of this tract would expand the Hebron Road Plant Conservation Preserve. The majority of this tract falls within the SNHA and is one of PCP's acquisition priorities because it will provide excellent buffer to the existing Preserve which protects several imperiled plant species. The Preserve includes a population of the federally-endangered Smooth Coneflower (<i>Echinacea laevigata</i>) and the state-threatened Narrow-Leaf Aster (<i>Symphoricarichum laeve</i> var. <i>concinnum</i>) as well as a few other significantly rare plant species. Although these species are not known or expected to occur on the proposed addition, this tract is needed to maintain one of the very narrow "smoke management windows" that are currently available given extensive development around the current Preserve. Expanding this "window" in the future may also be a priority. PCP has begun dialogue with local partners to consider recreational uses for buffer lands if acquired. \$25,500/acre. \$160,000 Upper Neuse Clean Water Initiative Grant and 25 acres donated wetland area. Stewardship funds not awarded.

Table 5
NC. Natural Heritage Trust Fund
Spring 2010 Awards -- Summary

Tab No.	Agency	Project Title	County	Grant Amount	Acres	Description
7	DACS/PCP	Eastwood Preserve - Larsen Tract Addition	Moore	\$111,000	43	This acquisition will protect additional portions of the Nationally Significant Natural Heritage area to be managed as part of the Eastwood Plant Conservation Preserve. This additional acreage has been a priority since the project inception, and the owner has demonstrated patience in waiting for the state to complete necessary funding and procedural requirements. The Eastwood Plant Conservation Preserve is designed primarily to protect the state endangered Sandhills Lily (<i>Lilium pyrrophilum</i>), which is a component of longleaf forests and associated seepage wetland habitats. Once protected, restoration and management of these habitats with prescribed fire is the number one management priority for the developing Preserve. \$339,000 previous NHTF grant; current request includes \$18,200 for stewardship. \$10,000/acre.
8	DACS/PCP	Rocky River/Morgans Bluff Proposed Plant Preserve	Stanly	\$128,500	16	By purchasing the two most critical parcels of land with this project, PCP plans to establish the Rocky River/Morgans Bluff Plant Conservation Preserve. This site is one of the PCP's acquisition priorities due to the presence of three imperiled plant species. These include the state-endangered Wright's cliffbrake (<i>Pellaea wrightiana</i>), which is known from only two sites east of the Mississippi River, as well as the state-endangered southern anemone (<i>Anemone berlandieri</i>) and special concern- vulnerable Missouri rockcress (<i>Boechera missouriensis</i>). All three species are known to occur on the proposed acquisition tracts. Currently owned by UNC Charlotte and Davidson College. Reduction from request reflects that no stewardship funds were awarded. Catawba Land Conservancy is partner. \$7,500/acre
	DACS/PCP		<i>Subtotal</i>	\$680,380	139	
9	DCR	Historic Bethania Land Acquisition – God's Acre Buffer and Muddy Creek Trail Corridor	Forsyth	\$125,900	5	Request is for acquisition of two parcels: God's Acre Buffer (4.1 acres in fee simple) and the Muddy Creek Trail Corridor (0.46 acre in fee simple, 0.1 acre in a donated right-of-way), both within the National Landmark Historic District in the Town of Bethania. These acquisitions will complement the eight previous DCR projects of nearly 153 acres in Bethania, carried out as a partnership with the Piedmont Land Conservancy. The permanent protection of these proposed tracts are important to the preservation of Bethania's National Historic Landmark Area. These properties compliment the previous conservation efforts, secure protection of the northeastern gateway, and provide a greenbelt of protection around Bethania to help conserve the historic design and character of the town. \$20,000 and \$3,370/acre. Partner Piedmont Land Conservancy - \$1,550 match. Added \$27,500 to original request of \$98,400 to finish out this project.
	DCR		<i>Subtotal</i>	\$125,900	5	

Table 5
NC. Natural Heritage Trust Fund
Spring 2010 Awards -- Summary

Tab No.	Agency	Project Title	County	Grant Amount	Acres	Description
10	WRC	Holly Shelter - Sleepy Creek Farm Tract	Pender	\$1,069,907	1,615	The Sleepy Creek Farm Tract involves a partnership acquisition with the US Navy (Camp Lejeune Marine Corps Base) to purchase, protect and manage 1615.10 acres of Pond Pine Woodland, Upland Longleaf and Wet Pine Savanna and Flatwoods. The site supports at least one red-cockaded woodpecker cavity tree, as well as, contains three ecological communities that are diminishing in size or quality across the landscape. As identified by previous Natural Heritage work this site lies within an important conservation corridor between Holly Shelter Game Land and Great Sandy Run Pocosin that needs protection and management. The site will be protected by acquisition, and incorporated into the WRC Game Lands Program. Fire and longleaf restoration along with RCW management will play a significant role in the long-term management of this tract. \$1,254/acre. USMC match of \$1,012,382. Any remaining 2007 COPS will be used for this acquisition.
11	WRC	Three Top Mountain Game Land Addition - Miller Tract	Ashe	\$302,229	50	The Miller tract is adjacent Three Top Mountain Game Land and would provide direct access to the game land from SR 1125 where no public access currently exists. Acquisition of this property is also highly significant as part of the total management project in the Three Top Mountain area. The Three Top Mountain macrosite contains numerous plants and community types that are considered to be of national significance. CWMTF funding is delayed possibly another year or more. \$7,500/acre.
12	WRC	King Mountain - Uwharrie National Forest	Randolph	500,000.00	355	This tract contains important terrestrial and aquatic habitats and rare species. It is an integral connector for recreation and habitat between two US Forest Service (USFS) properties. The property has a five-acre USFS inholding at the peak, the highest point in the Uwharrie National Forest. The tract contains three natural heritage elements and fills a crucial gap in the Uwharrie National Recreational Trail. It is also in a Schweinitz's sunflower management corridor identified by the Plant Conservation Program, connecting populations on USFS and PCP land. This is one of few sites where Schweinitz's sunflowers exist in the interior of a property, away from remnant populations along roadways where most sunflowers are found. WRC to manage as part of Uwharrie Game Land, a highly used game land. Total project cost \$1,696,500. \$4,778/acre. Awaiting possible federal grant to close project. Previous NHTF grant of \$342,580.
	WRC		Subtotal	\$1,872,136	\$2,020	
		All Awards	Grand Total Request	\$8,337,916	3,719	\$8,420,212

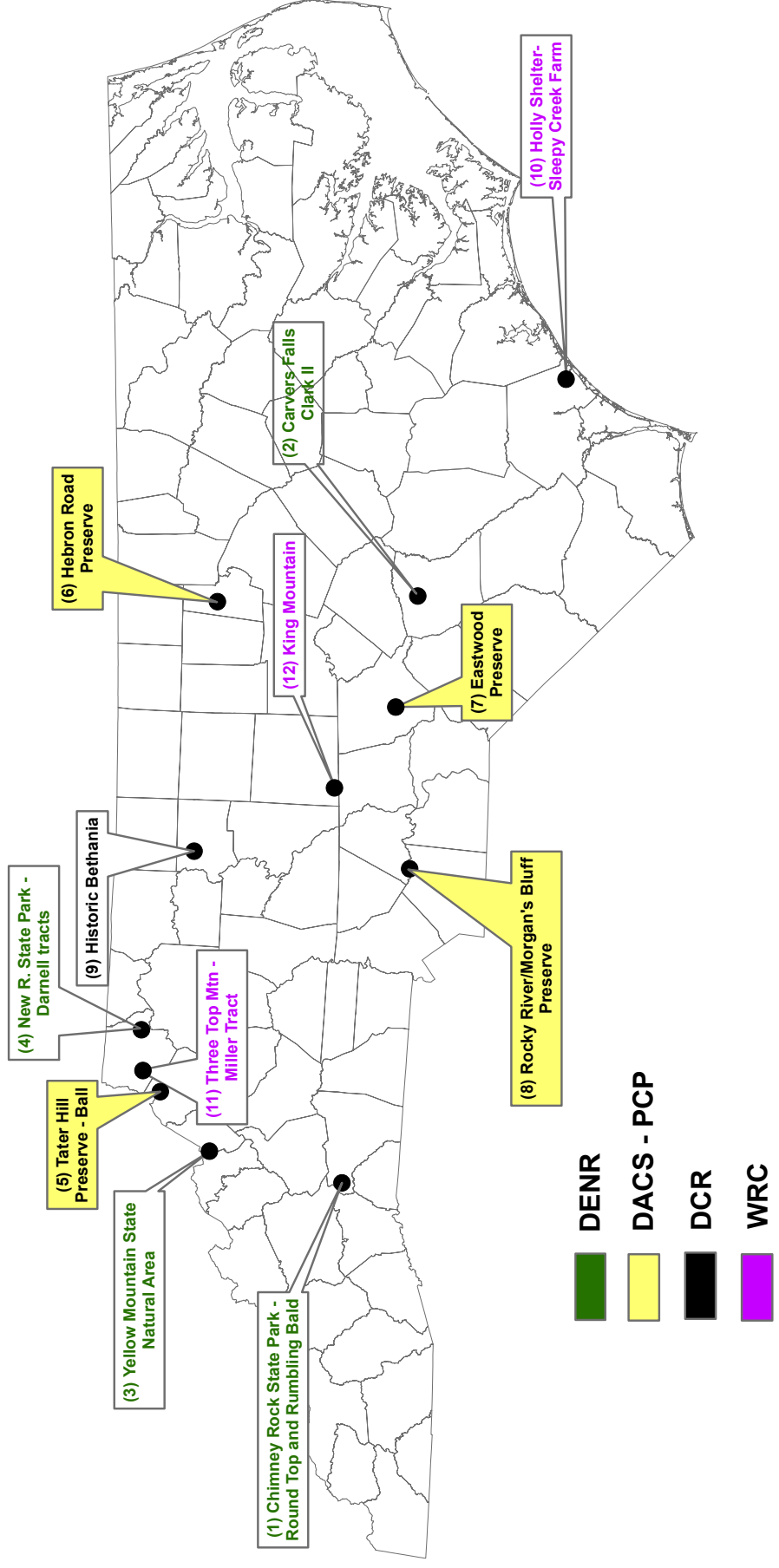
Table 5
NC. Natural Heritage Trust Fund
Spring 2010 Awards -- Summary

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	PCF = Plant Conservation Program					WRC = N.C. Wildlife Resources Commission
	DENR = N.C. Department of Environment and Natural Resources					SWAP = WRC's State Wildlife Action Plan
	DPR = Division of Park & Recreation					TNC = The Nature Conservancy
	DFR = Division of Forest Resources					CMLC = Carolina Mountain Land Conservancy
	NHP = N.C. Natural Heritage Program					ACUB = Army Compatible Use Buffer Program
	DCM = Division of Coastal Management					USFWS = United States Fish and Wildlife Service
	DWR = Division of Water Resources					CPT = Conservation Planning Tool
	WRC = N.C. Wildlife Resources Commission					USMC = United States Marine Corps.

Carver's Cr. Long Leaf



Figure 3
 Natural Heritage Trust Fund
AWARD PROJECT LOCATIONS
SPRING 2010



- DENR
- DACS - PCP
- DCR
- WRC

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Rose Creek



Uwharrie Forest King Mt.

