



North Carolina Department of Environment and Natural Resources

Beverly Eaves Perdue
Governor

Dee Freeman
Secretary

October 12, 2012

MEMORANDUM

TO: ENVIRONMENTAL REVIEW COMMISSION
The Honorable David Rouzer, Chairman
The Honorable Mitch Gillespie, Co-Chairman
The Honorable Ruth Samuelson, Co-Chairman

FISCAL RESEARCH DIVISION
Mr. Mark Trogon, Director

SENATE APPROPRIATIONS SUBCOMMITTEE ON NATURAL AND ECONOMIC
RESOURCES
The Honorable Don East, Co-Chairman
The Honorable David Rouzer, Co-Chairman
The Honorable Brent Jackson, Co-Chairman
The Honorable Harris Blake, Vice Chairman

HOUSE APPROPRIATIONS SUBCOMMITTEE ON NATURAL AND ECONOMIC
RESOURCES
The Honorable Carolyn Justice, Chairman
The Honorable Roger West, Chairman
The Honorable Efton Sager, Vice Chairman

JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS
The Honorable Thom Tillis, Speaker of the House of Representatives
The Honorable Phil Berger, President Pro Tempore of the Senate

FROM: Kari Barsness *KB*
Director of Legislative and Intergovernmental Affairs

SUBJECT: North Carolina Natural Heritage Trust Fund 2012 Annual Report

Pursuant to General Statute 113-77.9(e), the Secretary of the Department of Environment and Natural Resources shall annually submit a list of grants including acreage, county, funding amount, and the state department or division responsible for managing the land.

If you have any questions or need additional information, please contact me by phone at (919) 707-8618 or via e-mail at Kari.Barsness@ncdenr.gov.

cc: David Knight, Assistant Secretary
Lisa Riegel, Executive Director, Natural Heritage Trust Fund
Kristin Walker, Fiscal Research Division
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Mariah Matheson, Research Division



2012 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



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Executive Summary

The Natural Heritage Trust Fund (NHTF) has operated with two grant cycles for almost 25 years, but due to a lack of funding in fiscal year 2012 (FY 2012), only one cycle was held. Most of the funding in FY 2012 was from reallocated certificates of participation (COPs) and residual cash from the previous fiscal year. With these limited funds, due to leveraging with private and/or federal funding, in FY 2012 NHTF was able to award more than \$7.4 million to protect more than 3,000 acres of land. This conserved land will be used for state parks, game lands, state forests and historic site protection. The land has great recreational, scientific, educational and aesthetic value. Protecting important natural heritage sites also bolsters North Carolina's \$18-billion-a-year tourism industry and provides necessary buffers between the state's military installations and incompatible development.

NHTF's income will be restored in fiscal year 2013, and two grant cycles are anticipated. It is important to note, however, that the available funds for grants will be significantly lower than in the past due to the significant amount needed for annual COPs debt repayment; the continued depressed real estate market (the deed stamp tax is a major source of income for NHTF); and expenses for Department of Environment and Natural Resources' staff that were shifted from general appropriations to NHTF funds permanently in 2010 and 2011.

Many projects take years to come to fruition and provide critical links between separate tracts and better access to existing public lands. They also enable better management of existing sites. It's important during tough budget times to spend wisely, but to also take advantage of time-sensitive land conservation opportunities that promise a great return on the state's investment.

Long Leaf Pine Forest



NORTH CAROLINA NATURAL HERITAGE TRUST FUND FISCAL YEAR-END REPORT 2012

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. This annual report is prepared in accordance with G.S. 113-77.9(e).

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. Membership of the board was increased to this level 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 the speaker of the House recommends four. Appointments are made effective Jan. 1 and are for staggered six-year terms. Persons appointed are to be knowledgeable in the acquisition and management of natural areas.

Board of Trustees

Governor Appointees

Charles E. Clement
Watauga County
2010-2016

R. Michael Leonard
Forsyth County
2006-2018

Elizabeth D. Taft, Ph.D.
Pitt County
2008-2014

Stephen W. Woody
Buncombe County
2010-2016

Senate Appointees

J. Robert Gordon, Chairman
Scotland County
2008-2014

Greer Cawood
Forsyth County
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Sam P. Douglas Jr.
Wilson County
2008-2014

Lois McIver Winstead
Person County
2010-2016

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Alan D. Briggs
Wake County
2006-2018

Troy Kickler
Lee County
2011-2014

Elizabeth "Robin" Jacobs
Orange County
2010-2016

Alan S. Weakley, Ph.D.
Chatham County
2008-2014



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.

Operating expenses for personnel, the production and distribution of grant materials, meeting expenses, etc., continue to be less than 2 percent of the program expenditures.

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. Each county retains half this tax, while the state receives 50 percent, minus allowable administrative costs. The deed stamp tax provides 65 percent of the funding for the NHTF, down from a high of almost 80 percent of the income in 2006.

The trust fund's 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 of the fee for three specialty license plates: \$10 for each "First in Forestry" license plate, \$15 for each "State Parks" license plate and \$15 for each out-of-state college specialty license plate. The fees from these license plates currently provide 35 percent of the funding for the NHTF.

The final source of funding is interest from funds in the trust fund account. Unexpended funds not expended remain in the interest-accumulating Natural Heritage Trust Fund account and do not revert to the General Fund. Due to low interest rates and low cash balance in recent years, the income from interest is a nominal amount of the total income.

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



East Fork Headwaters - Lower Falls located along the South Prong of Glady Fork Creek

Grant Criteria and Eligible Agencies

Grants are awarded to acquire land that:

- represents the state's ecological diversity to ensure its preservation and conservation for recreation, scientific, education, cultural and aesthetic purposes;
- adds 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
- helps develop a balanced state program of historic properties.

Funds are also allocated to the N.C. Natural Heritage Program (NHP) for natural area inventories and conservation and protection planning of natural areas. Information compiled by NHP is used to help guide land management and conservation decisions by state and federal agencies, and also by private groups and businesses, ensuring that conservation funds are spent strategically to protect the highest quality areas.

In 2004, the General Assembly also authorized the NHTF (G.S. 113-77.9(b3)) 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 the:

- N.C. Department of Environment and Natural Resources,
- N.C. Wildlife Resources Commission,
- N.C. Department of Cultural Resources, and
- N.C. 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 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 N.C. Department of Cultural Resources.

Income

As shown in Table 1, income for fiscal 2012 was \$5,024,089 –a significant decrease from the previous year's income of \$12,522,450. The income change over time from each source of income is shown in Figure 1. The reason for the large decrease in fiscal 2012 is the diversion of \$8 million of the deed stamp tax income to the General Fund pursuant to the 2011 budget bill. The General Assembly diverted this funding due to the poor economy. This diversion was for only one year, with funding returning in fiscal year 2013.

If the \$8 million diversion is taken into consideration, the total income would have been more than \$13 million. This amount is a slight increase for the first time since the collapse of the real estate market in 2007, when NHTF income was roughly twice as much, at almost \$24 million.

The overall state economy remains depressed and the real estate market is not expected to return to the level of 2007 for some time (if ever); however, this slight uptick in the real estate deed stamp tax could indicate that the declining trend is ending. Next year's income is estimated based on the 2012 numbers, and assumes no further decline.

East Fork Headwaters - Trout Stream near Turkey Mountain





*Wildlife Resources Commission -
Swain Tract - Gopher Frog*



*East Fork Headwaters -
Foothills Trail Sign at Sassafras Mountain*

Awards

Between 1987 and June 30, 2012, NHTF has contributed to the protection of more than 300,000 acres through 528 grants totaling more than \$335 million (Table 2). The locations of these projects are shown in Figure 2. During fiscal 2012, NHTF awarded 10 grants totaling \$7,405,000. These grants will contribute to the protection of an estimated 3,080 acres (Table 3).

NHTF typically holds two grant cycles per year: one in the fall and one in the spring. In FY2012, only one award cycle was held, in spring 2012, due to the lack of funds. The state was unable to acquire a major project that had been awarded in a prior year, Long Hope Valley, and so these funds were returned to NHTF. Due to the decrease in real estate values, the appraisals lowered the price that the state could pay for the land and the owners were unwilling to sell at the significantly decreased price. Long Hope Valley is a large landscape project of national significance that the state and its partners have worked on acquiring for more than 30 years; hopefully this project can be pursued again in the future. Recognizing that the funds allocated for this project could not be spent in the near term, the NHTF board held a meeting to reallocate these funds, making possible an award cycle for FY2012, despite no new income.

The locations of the Spring 2012 grant awards are shown in Figure 3; project funding leveraging (award matching funds) is shown in Table 4; and project descriptions are contained in Table 5.

As shown in Table 4, almost all of the projects include matching funding from federal, private and/or other state sources. As shown in the table, the NHTF funds had a greater match than one-to-one (more than 100 percent).

NHTF continues to receive requests for many more projects (50 percent historically) than can be funded. In fiscal 2012, 18 applications requesting funding for almost \$16 million, and funding was available to only 10 of these.

Certificates of Participation

Recognizing the need to protect important lands in our rapidly developing state, the General Assembly authorized the use of a special financing mechanism referred to as certificates of participation (COPs) during three legislative sessions – in 2004 (SL 2004-179, Section 3), in 2007 (SL 2007-323, Section 29.14) and in 2008 (SL 2008-107, Section 27.8(a)(28)). 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. Most of the COPs funds were allocated to projects in 2008 and 2009 that have since been completed. In 2012, NHTF reallocated \$6 million in COPs funding that had been returned to NHTF as discussed above. These newly-funded projects are expected to be completed in fiscal 2013.

NHTF repays the debt and interest on the 2004 and 2007 COPs using annual receipts. For fiscal 2012, the COPs debt repayment was \$4,409,822 and will be similar (\$4,404,448) in the coming fiscal year, based on correspondence from the Department of State Treasurer. With an expected income of about \$13 million, the debt repayment currently represents approximately one-third of the NHTF income.

Effect of Recent Legislative Actions on NHTF Fund Availability

Based on Session Law 2011-145, Section 2.2. (i) (the budget bill), \$8 million was diverted to the General Fund from the deed stamp tax income that would normally be credited to NHTF. In addition to this \$8 million one-time diversion, many staff positions are now funded permanently by NHTF. Based on legislative action in both the 2010 session and the 2011 session, NHTF now funds 18 staff positions in the DENR Office of Conservation Planning and Community Affairs (OCPCA) and one position in the Department of Agriculture and Consumer Service's Plant Conservation Program (AG-PCP) for a total of approximately \$1.6 million per year, as follows:

- During the 2010 session, the budget bill “fund-shifted” 5.5 positions in OCPCA previously funded by General Fund appropriations to the NHTF for a total of approximately \$400,000.
- During the 2011 session, the budget bill “fund-shifted” an additional three positions in OCPCA and one position in AG-PCP, at an amount not to exceed \$400,000, effective beginning in fiscal 2012, pursuant to SL2011-145, Section 13.16.
- Prior to these changes, NHTF funded 10 full-time positions through the grant process for natural area inventories and conservation planning, for a total of about \$800,000 per year. NHTF continues to fund these positions.

The table below summarizes the actual ongoing non-land acquisition expenses for fiscal 2012 and estimates the income and expenses for fiscal 2013:

NHTF Revenues and Expenditures		
	FY 2011-2	FY 2012-13
Total Revenues	\$5,024,089	\$13,000,000
Operating Expenses		
OCPCA/AG-PCP Staff	(\$764,592)	(\$800,035)
Inventory & Conservation Planning Grant Staff	(\$624,326)	(\$792,600)
COPS Repayment	(\$4,409,822)	(\$4,404,448)
Operating Expenses	(117,306)	(\$160,000)
Total Operating Expenses	(\$5,916,046)	(\$6,157,083)
Net Available for Land Acquisition	(\$892,957)	\$6,842,917

As shown above, total expenses for operations, COPS repayment, “fund-shifted” staff and grant-funded staff are running more than \$6 million per year (\$6,157,083). In fiscal 2012, this meant that income was \$892,957 less than total expenses. This difference (negative balance) was covered by the cash balance from the previous year that had been accumulating for the fall 2012 award cycle. That cycle was canceled. NHTF was able to award funding in the spring due to the return of \$6 million in COPS funding (discussed in the Awards section) and \$1.4 million in remaining cash balance from fiscal 2011. Based on estimated income and expenses, \$6.8 million will be available for land acquisition projects in FY 2013.

Conclusions and Recommendations

Due to the diversion of \$8 million in income to the General Fund, NHTF was only able to hold one award cycle. While a major project that state agencies and their partners had worked long and hard to put together could not be completed, the reallocated funding provided opportunities for funding of other projects. In fiscal year 2013, the deed stamp tax revenue stream will return to NHTF and the program will again be able to provide funding for important land acquisition projects. However, with the generally lower real estate market still depressing NHTF income, new expenses from “fund-shifted” positions and COPS repayment, available funding will be lower than in the past.

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 \$18 billion per year tourism industry in North Carolina.

NHTF is expected to have approximately \$6.8 million in fiscal 2013 to help implement the state's conservation priorities. NHTF hopes to be able to take advantage of opportunities provided by the economic downturn. Owners realize they must consider selling at a bargain to attract state funding and partners are helping find private donors and federal funding to complete projects. 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 financial resources are used most effectively on the highest priority areas.



Wildlife Resources Commission's Raby Farm at Needmore Gameland



APPENDIX

Table 1
Natural Heritage Trust Fund
INCOME BY FUNDING SOURCE
as of June 30, 2012

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
2010-2011	\$4,363,349	\$7,933,140	\$225,961	\$12,522,450
2011-2012	4,341,328	\$586,215	96,547	5,024,089
Total Income	\$66,959,333	\$171,180,591	\$16,196,800	\$254,611,722

Figure 1
NHTF Income - Annual by Source

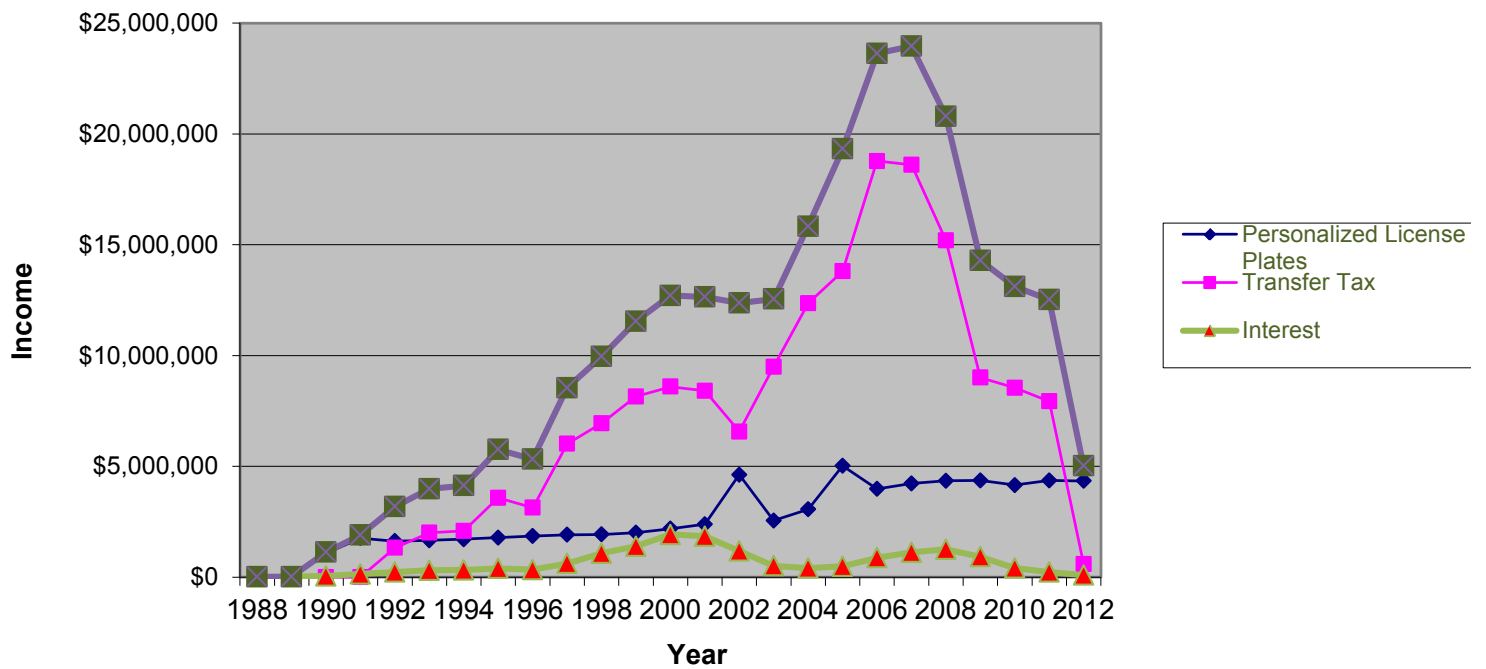


Table 2
Grant Awards Summary
1987 – June 30, 2012

Total Awarded to Date (since 1987) (528 awards)	\$335,784,318
Returned Funds (Applicant unable to acquire land; award money returned to NHTF)	\$53,847,677
Total Transferred (spent)	\$272,013,283
Total Obligated	\$9,923,357
Acres Protected	300,853
Requests to Date (772 requests)	\$673,153,552
Requests Unable to Fill (50%)	\$337,369,234

Figure 2
NHTF Project Awards Locations
1988 - Spring 2012

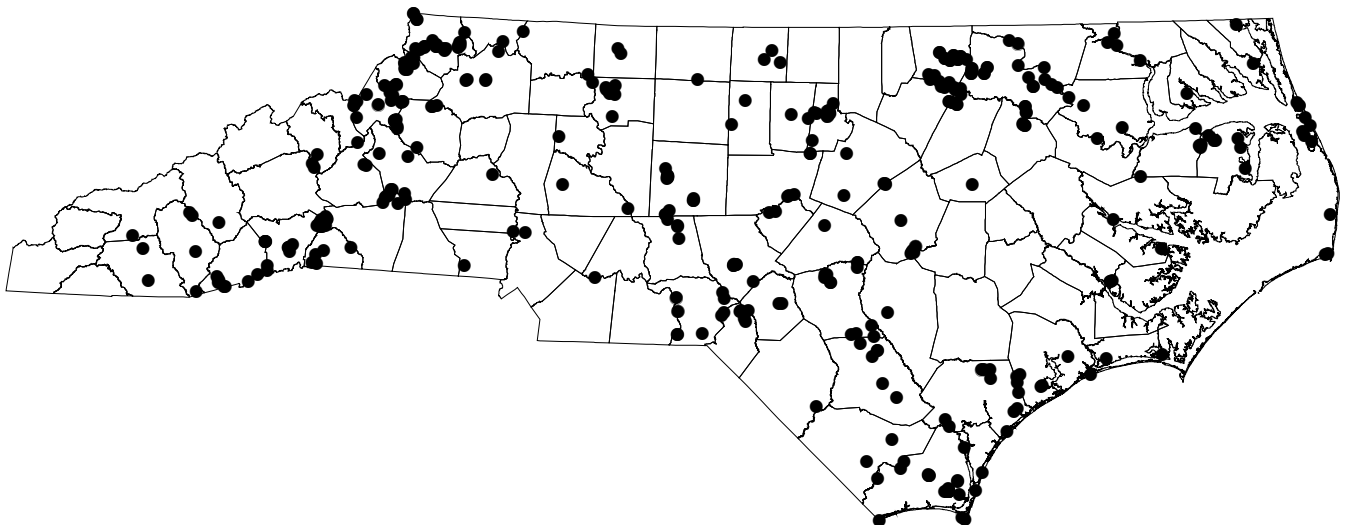


Table 3
Grant Award Totals by Agency
Fiscal Year 2012

Agency	Acres	Grant Total
Department of Agriculture & Consumer Services <i>N.C. Forest Service</i> (1 grants)	1,658	\$4,188,175
Department of Cultural Resources (1grants)	120	\$355,000
Department of Environment and Natural Resources (3 grants)	212	\$1,099,575
Wildlife Resources Commission (5 grants)	1,090	\$1,762,250
Total (10 grants)	3,080	\$7,405,000

Figure 3
NHTF Award Locations
Spring 2012

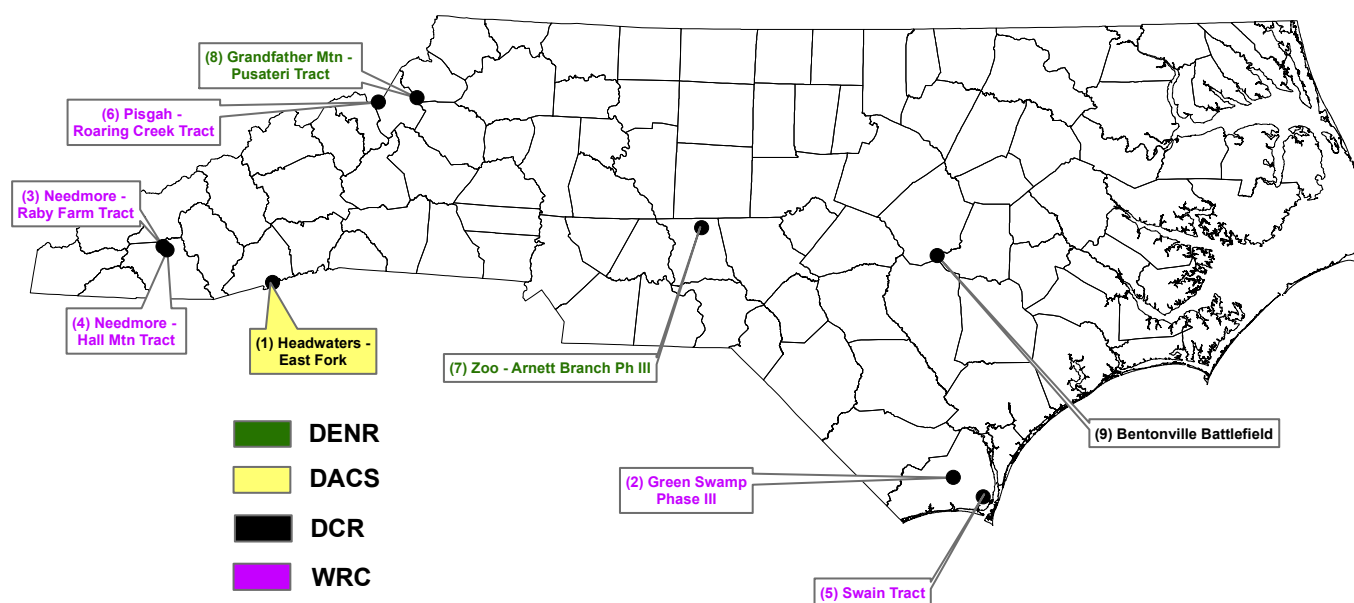


Table 4
2012 Grant Leveraging

	Project Name	NHTF Grant Amount	Matching Funds	Source of Match
1	N.C. Forest Service - Headwaters East Fork, Transylvania County	\$4,188,175	\$4,188,175	Bargain sale (discount sale by owner)
2	WRC - Green Swamp Forest-Pinch Gut, Brunswick County	\$687,000	\$687,000	USFWS
3	WRC – Needmore Game Land Raby Farm, Macon & Cowee counties	\$358,000	\$358,000	USFWS
4	WRC – Needmore Game Land Hall Mountain, Macon & Cowee counties	\$152,250	\$304,500	USFWS
5	WRC – Swain Tract, Brunswick County	\$65,000	\$65,000	USFWS
6	WRC – Pisgah Game Land Roaring Creek, Avery County	\$500,000	\$1,083,460	USFWS
I-1	Integrating Conservation into Statewide Bike and Pedestrian Masterplan	\$50,000	\$1,000,000	Major federal grant, corporate sponsor, DOT, others
7	N.C. Zoo – Arnette Branch Longleaf Pine Forest Phase III, Montgomery	\$128,575	\$0	Small private donation in Phase I
8	State Parks – Grandfather Mountain Pusateri Tract, Watauga County	\$921,000	\$505,000	Private donation
9	Department of Cultural Resources - Bentonville Civil War Battlefield Site, Johnston County	\$355,000	\$347,588	Civil War Preservation Trust (private)
	TOTAL	\$7,405,000	\$8,538,723	

WRC = Wildlife Resources Commission

USFWS = Federal Funds – U.S. Fish and Wildlife Service T-13 Grant Program

DOT = N.C. Department of Transportation

Table 5
NHTF - Spring 2012 Awards Summary

No.	Agency	Project Title	Signif- icance	County	Award	Acres	Description
1	DACS- Forest Service	Headwaters Phase I - East Fork	Regional	Transylvania	\$4,188,175	1,658	This project will protect 8,000 acres of working forestland in the Blue Ridge Mountains through fee simple acquisition over several phases. Phase I is purchase of a 1,658-acre ridgeline tract along the South Carolina border. The tract connects to over 100,000 acres of existing conservation lands in North and South Carolina. NC Forest Service will own and manage the property as a working Stewardship Forest. WRC plans to participate in the management and enroll the land in the game land program. When completed in entirety, the project will expand opportunities for public recreation, conserve over 60 miles of streams, protect documented occurrences of a federally endangered plant species and other federal plant and animal species of concern, enhance and increase important wildlife habitats as identified in the NC Wildlife Action Plan, and improve forest health. The Conservation Fund (TCF) purchased the 786 acre ridgeline tract in 2010; private funds and CWMTF monies will be used to purchase the eastern-most 286 acres from the TCF. NHTF is funding the remaining 500 acres of the ridgeline tract and a 1,158 acre tract that WRC has identified as the highest priority tract of the Headwaters Project. <i>\$1 million of NHTF grant is in cash, and the remainder is in COPS.</i>
	DACS				\$4,188,175	1,658	
2	WRC	Green Swamp Forests LLC - Phase III	National	Brunswick	\$687,000	710	Phase III involves the additional purchase of 710 acres to the overall 1,894-acre project which will protect a nationally significant site that supports high species richness. In addition to protection, acquisition will afford establishment of a corridor that, in combination with Juniper Creek Game Land and the Green Swamp Preserve, will measure approximately 21 linear miles while providing security to the estuarine ecosystem by contributing towards protection of the headwaters of the Lockwood Folly River. The property will be incorporated into the WRC Game Lands Program and management by staff professionals. Fire and longleaf management will play a significant role in the long-term management of this tract. Confirmed T13 USFWS federal funds of \$687,000. <i>NHTF funding is using COPS.</i>

Table 5
NHTF - Spring 2012 Awards Summary

No.	Agency	Project Title	Signif- icance	County	Award	Acres	Description
3	WRC	Needmore Game Lands - Raby Farm Tract	National; adjacent to Nationally Significant Aquatic Habitat	Macon, Cowee	\$358,000	54	Tract consists of bottomland habitat in the Little Tennessee River Valley including approximately 2,500 feet of frontage along the river. This acquisition will protect habitat and serve as a potential reintroduction site for the federally-listed spotfin chub and Appalachian elktoe and numerous other NCWAP priority species. The tract will expand a core area of conservation lands in the Needmore Game Lands along the Little Tennessee River which is essential to protecting water and habitat quality in the river. This tract will be placed in the game lands program and as such will provide recreation opportunities. Management objectives include the restoration of riparian buffers by establishing native tree species and enhance/restore as necessary stream banks and wetlands. Raby Farm is directly adjacent to the nationally significant Little Tennessee River (Lower) Aquatic Habitat. Additionally, the Little Tennessee River in the project area is designated Critical Habitat by the USFWS for Appalachian elktoe and Spotfin Chub. USFWS T13 confirmed grant \$358,000. NHTF Funds are using COPS.
4	WRC	Needmore Game Lands - Hall Mountain Tract	National	Macon, Cowee	\$152,250	108	Hall Mountain is a low knob perched above a sharp bend in the Little Tennessee River approximately 5.7 miles north of Franklin. The parcel is adjacent to a 55 acre parcel of the Needmore game lands, which is adjacent to the Little Tennessee River. The Little Tennessee River between Franklin and Fontana Reservoir is one of the most ecologically significant rivers in the entire state. It is designated as a nationally significant Aquatic Habitat and still supports what is thought to be the full species assemblage that was once found throughout the Little Tennessee River and its major tributaries. This project will ensure protection of upland habitat and potentially allow for reintroduction of the federally listed spotfin chub and Appalachian elktoe and numerous other Wildlife Action Plan priority species. This acquisition will expand a core area the Needmore Game Lands conservation lands, protecting water and habitat quality in the Little Tennessee River and will provide recreation opportunities. T13 confirmed matching grant of \$304,500.

Table 5
NHTF - Spring 2012 Awards Summary

No. Agency	Project Title	Significance	County	Award	Acres	Description
5 WRC	Swain Tract	National, State	Brunswick	\$65,000	83	The Swain Tract consists of mesic longleaf pine flatwoods, and xeric longleaf pine sandhill with imbedded isolated wetlands. The habitats found on the Swain Tract have been identified by the NCWAP as some of the highest priorities for acquisition. The adjacent Military Ocean Terminal at Sunny Point (MOTSU) is known or suspected habitat for 90 species of amphibians and reptiles, 44 of which are state listed and/or NCWAP priority species. Of particular significance, habitats on the Swain Tract are likely used by the State Threatened Carolina gopher frog, a species now known to occur at only seven locations statewide. Gopher frog tadpoles were recently located in a pond on MOTSU within 50 yards of the Swain tract. Additionally occurring in habitats found on the Swain tract are four priority species of mammal and 12 species of birds including the federally endangered RCW, which is known to occur on MOTSU. The Swain Tract includes two SNHAs (White Spring Ponds Complex – state significance; Boiling Spring Lakes Wetland Complex – national significance), and is included in TNC's Southeast Brunswick County Action Site. USFWS T13 confirmed matching grant of \$65,000

Table 5
NHTF - Spring 2012 Awards Summary

No.	Agency	Project Title	Signif- icance	County	Award	Acres	Description
6	WRC	Pisgah National Forest - Roaring Creek Tract	National	Avery	\$500,000	135	The Roaring Creek tract is adjacent to Pisgah National Forest Game Land. This tract would serve as a significant wildlife and ecological corridor from the adjacent National Forests and other conservation lands in the vicinity. The majority of the tract contains northern hardwood forest and contains the headwaters of Roaring Creek which empties in the North Toe River. This tract will be entered into the NC WRC's Game Lands Program and will offer a variety of dispersed recreational opportunities to the public. The tract is part of the nationally significant Roan Mountain Massif Natural Area. In addition, the tract is adjacent to the historical Over Mountain Victory Trail, one of the routes taken by the Patriot Militia during the Revolutionary War as they tracked down the British and ended in patriot victory at the Battle of Kings Mountain. Matching funds: Private Donor - \$572,620; Doris Duke Foundation - \$320,000; DOJ EEG program \$35,840; Federal Neotropical Migratory Bird Conservation Act Grant (USFWS) \$95,000; Land owner bargain sale \$60,000 total =
	WRC				\$1,762,250	1,090	
I-1	DENR/NHP	Integrating Conservation Into Bike & Pedestrian Transportation Planning		Statewide	\$50,000		Grant will support the integration of Natural Heritage and other conservation information into an effort being lead by the North Carolina Dept. of Transportation (NCDOT) to update the statewide bicycle and pedestrian plans. Historically, these plans have not incorporated conservation considerations. This is a key opportunity to have significant influence at statewide, local and regional scales. Federal funds will come from the Transportation, Community and System Preservation Program of the Federal Highway Administration; NC DOT will provide the bulk of the remaining funds. Partners will include non-profit organizations, other state agencies, local governments, corporate donations, and private citizens. Funding: \$500,000 federal grant; \$150,000 DOT; \$100,000 volunteer; \$250,000 other state, private, corporate. NHTF funding is through cash receipts.

Table 5
NHTF - Spring 2012 Awards Summary

No.	Agency	Project Title	Signif- icance	County	Award	Acres	Description
7	DENR/ZOO	Arnett Branch Longleaf Pine Forest Phase III	Regional	Montgomery	\$128,575	57	In partnership with the LandTrust for Central North Carolina (LTCNC), the Zoo plans to protect the last known remaining intact old growth Piedmont longleaf pine forest (200+ yrs old) of this size in the region. NHTF awarded \$150,000 for Phase I in Fall 2010 and \$132,325 for Phase II in Spring 2011. Private funding of \$50,000 purchased a two year option agreement, also used as part of the purchase price for the property. This tract is a high priority parcel for protection due to: the exceedingly rare old growth longleaf pine forest for the Uwharrie Region; significant size of tract; location in Uwharrie region near other protected lands, wildlife habitat and travel corridors; breeding habitat for forest interior bird species and neotropical migrants (Kentucky warbler); tributary to West Fork of Little River (<0.5 miles away), Nationally Significant Aquatic Habitat; and the opportunity to expand the Zoo's environmental education program, partnering with local schools. The Zoo intends to manage the property as a nature preserve and to enhance the mature longleaf pine forest, establish and maintain a educational forest for conservation, research and recreation, and continue to add tracts through purchase or agreements with landowners to connect to other conservation lands in this area of biological and cultural significance. <i>NHTF funding is using COPS.</i>

Table 5
NHTF - Spring 2012 Awards Summary

No.	Agency	Project Title	Signif- icance	County	Award	Acres	Description
8	DPR	Grandfather Mtn. State Park: Pusateri Tract	National	Watauga	\$921,000	155	This acquisition of four undeveloped tracts on the northeastern slope of Grandfather Mountain will become part of the state park. The mountain's diversity of habitats and rare species, as well as its scenic beauty, have made it an important addition to the state's conservation lands to be protected in perpetuity. Grandfather Mountain supports 16 distinct ecological communities including red spruce-Fraser fir forest, heath bald, high-elevation red oak forest, rich cove forest, Canada hemlock forest, and spray cliff. A total of 73 rare species have been identified on the mountain. Of these, 32 are federally or state listed as endangered or threatened. The Pusateri tracts also contain some of the headwaters of the Watuaga River. It is also an important component of a larger network of conservation lands in the area, which include the Blue Ridge Parkway, Pisgah National Forest, and holdings by the Nature Conservancy. Low-impact public recreation such as hiking and nature study is proposed for the undeveloped portion of the mountain. \$480,500 private funding; \$25,000 PARTF. NHTF funds are using COPS.
	DENR				1,099,575	212	
9	DCR	Bentonville Battlefield Site Additions	Historic - Statewide	Johnston	\$355,000	120	This project will preserve 120 acres in nine parcels by fee simple acquisition to continue DCR's ongoing long-range project to protect and preserve the historic Civil War battlefield at Bentonville Battlefield State Historic Site. This will add to the approximately 1,300 acres that DCR and the Civil War Preservation Trust (CWPT) have acquired for protection, bringing the total number of protected acres to approximately 1,435—representing a major accomplishment toward protecting the nearly 6,000 acre core battlefield site. Additionally, the preservation of these parcels will be important for the protection of the water quality of the Neuse River basin. The grant request represents only 50% of the total project cost; the remainder will be funded by the Civil War Preservation Trust and grants from the American Battlefield Protection Program of the National Park Service, totalling \$347,588 (confirmed). NHTF funding is through cash receipts.

Table 5

No.	Agency	Project Title	Signif- icance	County	Award	Acres	Description
	DCR				\$355,000	120	Funding for this project is cash (not COPS)
	ALL APPs.				\$7,405,000	3,080	\$6 million in COPS; \$1,405,000 in cash
	COPS = Certificates of Participation special funding						
	TBD = Under significance means the ranking still needs to be verified by NHP						
	T13 = T13 USFWS Federal Funds for State Wildlife						RCW = Red Cockaded Woodpecker NCWAP = NC Wildlife Action Plan
	DOI EEG = NC Department of Justice Environmental Enhancement Pgrant (Smithfield litigation settlement monies)						USFWS Section 6 = Endangered Species Act federal funding
	TNC = The Nature Conservancy						Forestry = North Carolina Forest Service
	NHP = Natural Heritage Program						CF = The Conservation Fund
	WRC = NC Wildlife Resources Commission						SNHA = Significant Natural Heritage Area
	DOT = Department of Transportation						NHTF = Natural Heritage Trust Fund
	DACS = Department of Agriculture & Consumer Services						CWMTF = Clean Water Management Trust Fund
	DCR = Department of Cultural Resources						PARTF = Parks and Recreation Trust Fund
	USFWS = US Fish and Wildlife Services						NC = North Carolina US = United States