

Appendix D: Purchase of Development Rights, Case Studies

The State of North Carolina

North Carolina has implemented a program totally aimed at water quality protection and enhancement, and thus provides another example of the use of conservation easements as a protection tool.

a. Motivation for the program

The General Assembly established the Clean Water Management Trust Fund in 1996 “to clean up pollution in the State’s surface waters and to protect and conserve those waters that are not yet polluted.” The program is in keeping with the Assembly’s advocacy of non-regulatory, incentive-based programs to help meet the state’s environmental goals.

b. Mechanism for funding

The statute requires that at the end of each fiscal year, 6.5% of the unreserved credit balance in North Carolina’s General Fund (or a minimum of \$30 million) will go into the CWMTF. Local governments, state agencies and conservation nonprofits apply for grants from this fund through a semi-annual application process. The 2000 session of the General Assembly committed to appropriate \$40 million in FY 2001-02, \$70 million in FY 2002-03 and \$100 million in FY 2003-04.

c. Length of time to develop program

Unknown.

d. Program logistics/summary

Interested local governments, state agencies, and nonprofit conservation organizations submit applications for particular projects, with semi-annual deadlines of June 1 and December 1. Projects must fall under the specified categories listed in the evaluation guidelines. Examples include: acquisition of riparian buffers (or easements on said properties) for protection of surface waters or urban drinking water supplies or the establishment of greenways; repair of failing wastewater and septic tank systems; and improvement of stormwater controls. Projects are then quantitatively scored based upon their contribution toward achieving 1) restoration of degraded waters 2) protection of unpolluted waters and 3) establishment of riparian buffers. Programs that are mandated by legislation or regulation are given low priority.

e. Who administers the program, and what are the administrative costs and funding source?

The CWMTF is an independent agency housed in the Department of Environment and Natural Resources. The eighteen member Board of Trustees establishes criteria, allocates funds and approves grants, makes rules, and hires the executive director. Six members are appointed by the Governor and twelve by the General Assembly. Operations are handled by an executive director, senior scientist, business manager, and administrative assistant, and three field representatives.

f. Any legislation required for the PDR program to be implemented?

CWMTF was created by Article 13A; Chapter 113 of the North Carolina General Statutes. A copy is attached.

Also attached for general reference is Article 16; Chapter 113A of the North Carolina General Statutes, "*Conservation Easements Program*".

g. Amount of land protected by program and future goals

Overall, the CWMTF has led to the protection of 1560 miles of riparian buffers and preserved 134,673 acres of land. It has assisted 60 local governments with wastewater improvements, funded 45 restoration and 16 stormwater projects.

\$1.8 million has been granted to date for easement acquisition, with all easement grants going to nonprofit trusts. \$98 million has been granted for the acquisition of riparian buffers, and \$5.8 million for the acquisition of greenways. Local governments have apparently favored acquisition over easement purchase

h. Other tools used in conservation effort

Last year, Governor Hunt issued a challenge to add 1 million acres to the state's already permanently protected open space by the end of the year 2009. This "Million Acres Initiative", as it is called, is moving forward with plans and structure to make this more than just a goal. The Department of Natural Resources is the current focal point for coordination and information gathering efforts. The acreage to be added includes farmland, forests, riparian buffers, parkland, and subdivision open space. The CWMTF is a funded subset program that is considered one tool in meeting the million acre objective. Another is the Farmland Preservation Trust Fund, which was first funded by the General Assembly in 1998, but only with \$250,000 in nonrecurring funds, followed by \$500,000 in 1999. The Fund contracted with The Conservation Trust for North Carolina (CTNC) to accept easement applications and administer the funds. Even with this limited funding, CTNC has been able to protect 2700 acres on 14 farms.

i. Success stories or obstacles?

Demand for grants far exceeds the funding available. As of 12/1/00, CWMTF had received over \$700 million in requests. The Board approved 234 grants for a total of \$211 million. For the last application cycle, \$11 million was available for allocation among \$59 million in requests.

Numerous success stories apply, with two examples as follows:

1. CWMTF provided a \$500,000 grant challenge to the Land Trust for Central North Carolina to protect land near a drinking water intake on the South Yadkin River. The land trust raised over \$370,000 and matched the original 300-acre acquisition with conservation easements on an additional 200 acres of riparian buffers donated at a value of over \$250,000. The tract of land was transferred to Catawba College where it is used as a wildlife and ecological study area. The land trust believes an additional 400-500 acres of riparian buffers may be donated and over 2000 acres may be available for purchases.
2. The Piedmont Land Trust was provided a \$1 million granting support of Mitchell River Watershed Coalitions' work to acquire and protect 212 acres and to assist four private landowners with conservation transactions on 200 additional acres in the headwaters of the Mitchell River. The Mitchell River is one of the few outstanding resource waters in

the piedmont. After the grant award, the coalition and the local soil and water conservation district have continued working on water quality. Six other donated easements have occurred, with other landowners expressing interest in following.

j. Partnerships with state agencies or other organizations involved?

As a state program, CWMTF achieves its goals through the efforts of a variety of local, other state agencies, nonprofit land trusts, and federal matching grant programs. For example, by funding \$40 million in the Conservation Reserve Enhancement Program, it will leverage \$221 million in Department of Agriculture and \$10 million in other funds over the next 6 years.

k. Availability of written materials

An excellent source of information on the program is found at website www.cwmtf.net

l. Contact information

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