Great Land Trust's Request for Habitat Conservation Project Funding

Prepared for the Exxon Valdez Oil Spill Trustee Council
August 25, 2017

Project Summary

Great Land Trust (GLT) requests funding from the *Exxon Valdez* Oil Spill Trustee Council (EVOSTC) Habitat Acquisition Fund to implement multiple habitat conservation projects throughout the spill area. Projects will aid in the recovery and enhancement of the long term health and viability of resources, services, and species injured by the *Exxon Valdez* Oil Spill (EVOS) and benefit spill area ecosystems.

GLT will seek to acquire through fee-simple acquisition or to otherwise protect through conservation easements priority lands within the entire EVOS area and increase the capacity of the existing, established EVOS habitat program.

GLT has a strong history of successfully performing similar work over the past five years. This proposal is for the first year of a second five-year funding cycle.

Project Goals and Objectives

With this funding request, GLT will continue to implement habitat protection projects that permanently conserve important habitat for the benefit of injured services and injured species across the entire EVOS-affected area.

GLT will use the 2014 GLT EVOS Habitat Land Prioritization mapping to identify and conduct outreach to landowners of parcels with high-ranking conservation value and determine their interest in habitat conservation. GLT will then conduct negotiations and other due diligence activities for willing landowners with high-priority properties. As appropriate and feasible, GLT will seek to leverage additional funds for projects, and, working closely with partners, will complete or make substantial progress on at least two large-scale conservation projects within each performance year.

Great Land Trust proposes to carry out the project goals and objectives in the EVOS area through a multi-step process:

1. Project Identification

GLT will use the 2014 GLT EVOS Habitat Land Prioritization for the entire spill area to identify habitat with the highest conservation value (see prioritization map attached).

This prioritization incorporates the latest information on land ownership including all projects previously completed with EVOS funding. All unprotected private lands, in addition to State lands owned by the Alaska Mental Health Trust Authority (AMHTA), are ranked for their habitat conservation value. GLT will continue to obtain feedback on the prioritization from EVOS Trustees, staff, USFWS, ADFG, ADNR, USFS, BLM, and other key landowners and government officials.

2. Landowner Contact

GLT will initiate contact with the landowners of high-ranking parcels to determine their willingness to sell for conservation through a fee simple acquisition or conservation easement interest. Discussions with the landowners will also include determining acreage and parcel configuration, timelines, and other due diligence activities.

GLT will meet frequently with agency and EVOSTC staff during this phase of the project to discuss progress and obtain feedback on potential projects.

3. Appraisal

GLT will contract a one- or two-phased appraisal of the highest ranking parcels with willing landowners.

In some instances, a two-phased appraisal may be advantageous. The first phase of the appraisal will include a meeting with the appraiser after he/she has conducted research. The appraiser will report the expected high- and low- range of values for the property. A full appraisal will be completed only if the initial range of values is acceptable to both the buyer and the seller.

4. Matching Funds Partner Outreach

As appropriate, GLT will seek supplemental funds for projects that appear to be a good fit for EVOS funding. This may include funding from sources such as the Forest Legacy Program, USFWS National Coastal Wetlands Program, and private foundations. This process, while requiring additional time, may yield funding that allows additional acreage to be purchased.

5. Final Project Completion

GLT will work closely with EVOS Trustee Council Staff, ADNR, ADF&G, USFWS, BLM, USFS, and other partners to complete up to approximately 10 high priority conservation projects with willing landowners in the Spill Area over the 5-year period.

Project Milestones:

Each year, from February 1 through January 31, GLT will:

- Complete due diligence on up to two spill area habitat protection projects.
- Submit spill area project packages to EVOSTC for full funding.
- Facilitate or execute habitat protection transactions in collaboration with state and/or federal project sponsors.

Anticipated Products/Outputs

Anticipated outputs for this funding include the prioritization and acquisition of high priority fee title properties within the EVOS area. Additionally, some projects may include conservation easements to be held by the appropriate government agency.

GLT will complete a variety of projects across the spill area that vary in size, location, and habitat attributes, but each of which must demonstrate high conservation values and aid in

the recovery and enhancement of the long term health and viability of those resources and services injured by the *Exxon Valdez* Oil Spill (EVOS).

GLT will measure and report on specific outputs each year over a five year period such as:

- Substantial progress toward the completion of fee title property acquisitions within the EVOS area, including acreage conserved.
- Permanent protection of wetlands within the EVOS area.
- Permanent protection of coastline within the EVOS area.
- Permanent protection of anadromous streams within the EVOS area.

Project Monitoring and Evaluation
GLT will submit updates to EVOSTC staff on the status of the completion of project objectives.

Sustainability
Upon completion of each purchase of habitat with EVOSTC funding, a permanent conservation easement will be held by an appropriate State or Federal agency or another entity as appropriate.

Description of Organization Undertaking the Project
GLT is an independent non-profit land conservation organization founded by Alaskans in 1995 and is Southcentral Alaska's regional land trust. GLT's service area includes more than 50 percent of Alaska's total population and ranges from the Alaska Range in the North to Prince William Sound and Kodiak in the south. GLT is the only Alaska-based land trust working in Kodiak. The other adjacent land trusts and national conservation organizations in Alaska were consulted prior to GLT's expansion to the EVOS spill area in 2012 and agreed that GLT was in the best position to work in this important area.

GLT works in partnership with willing private and public landowners to permanently conserve important habitats, signature landscapes, and waters essential to the quality of life and economic health of communities in the region. GLT seeks to protect the integrity of natural ecosystems, wetlands and streams, public access to recreational lands, and conserve lands important for towns and cities.

GLT, an accredited land trust, has extensive experience with fish and wildlife habitat and wetland conservation projects. Since 1995, GLT has completed 47 land conservation projects totaling over 49,000 acres in southcentral Alaska, including over 45 miles of salmon streams. GLT has professional staff skilled at carrying out complex land transactions and has been nationally recognized for wetland conservation successes including the LTA Living Lands Publication, the Coastal America 2007 Partnership Award, the US DOI Cooperative Conservation Award 2008 and was awarded the Outstanding Partner Award by the Region 7 Director of USFWS for 2011.

GLT was the first land trust in Alaska and one of only 300 nationwide to achieve accreditation with the Land Trust Alliance Accreditation Commission. GLT's accreditation

status was renewed on August 10, 2017, by the Land Trust Alliance Accreditation Commission.

GLT has completed significant projects with a wide range of partners including the Municipality of Anchorage, the Mat-Su Borough, Kodiak Island Borough, State of Alaska Department of Fish and Game, State of Alaska Department of Natural Resources, US Fish and Wildlife Service, BLM, Army Corps of Engineers, National Oceanic and Atmospheric Administration, Alaska Native corporations, Ducks Unlimited, Pacific Coast Joint Venture, , and numerous private businesses and landowners. GLT has experience raising and managing significant public and private funding, having over 15 Federal, State, and private foundation grants ongoing in the last 12 months. GLT also has extensive experience with wetland mitigation funding, having operated an In-lieu Fee program under a Memorandum of Understanding with the Army Corps of Engineers since 1998.

Great Land Trust Past Performance under Previous 5-year EVOSTC Award:
Beginning in 2013, the first year of the project, GLT focused on the Kodiak Afognak Archipelago area. The scope broadened under EVOSTC direction to include all of the spill area in 2014, the second year of the project. Using a land habitat values prioritization that GLT developed originally for the Kodiak Afognak Archipelago, GLT identified multiple high-ranking conservation projects in the spill area and began due diligence and negotiations with landowners on six of the highest ranking projects. During year three, GLT completed outreach to key landowners within the spill area and initiated several new projects. In year four, GLT completed a 36,000 acre project on northern Afognak Island and a 65 acre project known as the Triplets, while also making significant progress on current projects, and conducting outreach to landowners in the spill area on potential new projects. During year five, GLT continued to conduct outreach with key landowners, initiated new projects, and continued due diligence and work to complete existing projects throughout the entire spill area. In 2017, GLT completed a 1,028 acre project known as Termination Point on Kodiak Island, a 1,953 acre project in the Thorsheim Drainage of Northern Afognak Island, and is proceeding with the Long Island project (1,258 acres) and the Portage Lake project (approximately 3,080 acres) also in the Kodiak archipelago. Other projects are under development and will be continued in the 6th year of the project.

GLT works closely with EVOSTC staff, the Alaska Department of Natural Resources, the Alaska Department of Fish and Game, the U. S. Department of the Interior and U.S. Forest Service, and other partners in order to complete these projects. GLT actively seeks grant funding from other sources as well to complement EVOS funding to carry out high-priority projects.

To demonstrate GLT's capacity to undertake and complete complex habitat conservation projects, recent projects include:

Ouzinkie Northern Afognak Island Project
In early 2016, Great Land Trust facilitated a landmark deal with Ouzinkie Native Corporation to permanently conserve and make public over 36,000 acres on northern Afognak Island, as well as the adjacent Triplet Islands, which are home to some of Alaska's

most famous seabird rookeries and the largest colony of tufted puffins in the Kodiak archipelago.

GLT had been working on this project for over three years with many dedicated public and private partners. The conservation project connects the Kodiak National Wildlife Refuge with Afognak Island State Park, and includes 13 miles of coastline, 10 miles of salmon streams and over 6,000 acres of wetlands. The combination of abundant fish and wildlife habitat, as well as its scenic beauty and rugged remoteness makes the island an attractive and popular destination for hunting and fishing. The lands also offer other recreational opportunities such as sightseeing, kayaking, hiking, photography, and camping and will be managed for public use compatibly with the adjacent Afognak Island State Park.

In 1892, Afognak Island was identified as one of the Nation's first fish and wildlife conservation areas. It was originally designated as the Afognak Forest and Fish Culture Reserve because of its outstanding wildlife and salmon habitat value. In 1908 it was reclassified as part of the Chugach National Forest, then conveyed in 1980 to several native corporations through the Alaska Native Claims Settlement Act. The island is known for its rugged topography, dense old-growth Sitka spruce forests, abundant marine mammals and salmon spawning habitat. It is home to the Kodiak brown bear, the Sitka black-tailed deer, the Roosevelt elk, whales, otters, seals, sea lions, tufted puffins, and marbled murrelets.

After the *Exxon Valdez* Oil Spill, the Kodiak archipelago became a priority for species recovery and habitat protection. Injured Species in the Kodiak archipelago are dependent on the coastal, riparian, wetland, and upland habitats provided by the 36,000 acres that GLT helped protect.

Termination Point

The Kodiak community has prioritized the conservation of Termination Point for over 20 years. After years of negotiations, Great Land Trust facilitated the transaction in 2017, resulting in the 1028-acre property, owned by Leisnoi, Inc. and known locally as Termination Point, to be permanently conserved and available for the public to enjoy.

The property boasts a recreational trail system that winds through Kodiak's old-growth forest, treating hikers to year-round majestic vistas and wildlife viewing opportunities close to and accessible from the City of Kodiak.

Termination Point is located within the Marmot Bay Colonies Important Bird Area (IBA), an area of global importance due to its unique bird habitat. Habitat for the estimated 108,472 seabirds in eight colonies within the Marmot Bay Colonies IBA is threatened by habitat fragmentation as well as nutrient and water pollution. Hikers visiting the coastal trail on the newly-conserved property can see a Tufted Puffin colony located on the cliffs above the water.

By conserving the property, Leisnoi is protecting its habitat values and granting public access to the property. The Kodiak Island Borough Assembly will manage the land as a borough park.

Thorsheim Drainage Project

In 2017, Great Land Trust facilitated an EVOSTC Habitat Conservation project that resulted in the conservation of almost two thousand acres of coastal habitat in and around the Thorsheim Drainage on Northern Afognak Island. The U.S. Fish and Wildlife Service identifies Afognak Island among the most productive habitat in the Gulf of Alaska. The Thorsheim Drainage consists of wetlands, a dense coastal forest, and a river corridor that supports multiple types of salmon. The property is also home to coastal wildlife communities such as sea otters, birds identified by the EVOSTC as Injured Species, and provides excellent habitat for the area's bear population.

Continuous kelp beds and eel grass occurring along the parcel's coastline provides important juvenile fish habitat. In addition to the three species of salmon that are known to spawn in the drainage, rainbow trout and Dolly Varden also use the stream, and Steelhead and Arctic Char are present in the drainage. The protection of this parcel will continue to help bolster commercial, sport and subsistence fisheries, particularly salmon fisheries that were injured by the *Exxon Valdez* oil spill.

The property is now open to public fish and wildlife-oriented recreation and will be managed by the Alaska Department of Natural Resources.

GLT Budget for Habitat Conservation Projects

Based on past performance, GLT respectfully requests the following budgeted amount for the EVOSTC fiscal year: February 1, 2018 – January 31, 2019.

This budget reflects structuring GLT staff time and related expenses to complete goals/objectives committed to in this proposal. GLT anticipates moving forward on multiple Habitat Conservation projects simultaneously including landowner outreach, negotiations, due diligence management, and project completion, under this budget.

GLT Direct Operating Budget

Budget Item		**Calculation**	**Subtotal**	**Budget for 2.1.18 thru 1.31.19**
GLT staff		GLT staff time, including fringe benefits (employer taxes, insurance, retirement, paid time off, etc.) average $60/hour. 2,800 hours/year		**$ 168,000.00**
	Travel - transportation	Airfare from ANC to KOD (or Prince William Sound, Alaska Peninsula, and other Spill area project locations) $1,200/trip/staff @ 5 trips for 2 staff = $12,000; travel within Travel via float plane @ $650/hr @ 15 hrs= $9,750	$ 21,750.00	
	Travel - food and lodging	5 trips x 2 days x $150/day car rental = $1500; 5 trips x 2 staff x 2 nights @ $200/night = $4,000; 5 trips x 2 staff x 2 days @ $70/day average meals = $1400	$ 6,900.00	
	Travel - mileage	Mileage at 0.54/mile x 2500 miles = $1350	$ 1,350.00	
Travel Subtotal				**$ 30,000.00**
Supplies		Supplies for outreach, mapping, and communication costs (technology support for GIS mapping, printing expenses, postage, mailing, general office/field supplies directly related to EVOS - e.g. bear spray, thumb drives, etc.)		**$ 7,500.00**
Subtotal – GLT Direct Operating Costs				**$ 205,500.00**

Due Diligence Expenses

GLT also directly coordinates and manages the contracting for many due diligence activities associated with habitat projects. Including expected due diligence contractual costs in GLT's budget allows GLT flexibility, timely responsiveness with engaged landowners and contractors, and has enabled the recently completed Habitat Conservation Projects to occur.

The information gathered by GLT during due diligence allows thorough Habitat Program acquisition proposals to be presented to the Trustee Council as well as project partners and sponsors in a timely manner. Time is of the essence with real estate transactions and conducting due diligence in an efficient manner is critical to successful projects. As described below, there are multiple steps necessary in order to complete due diligence. Many of the projects under consideration are remote parcels requiring complex logistics over short field seasons for successful results.

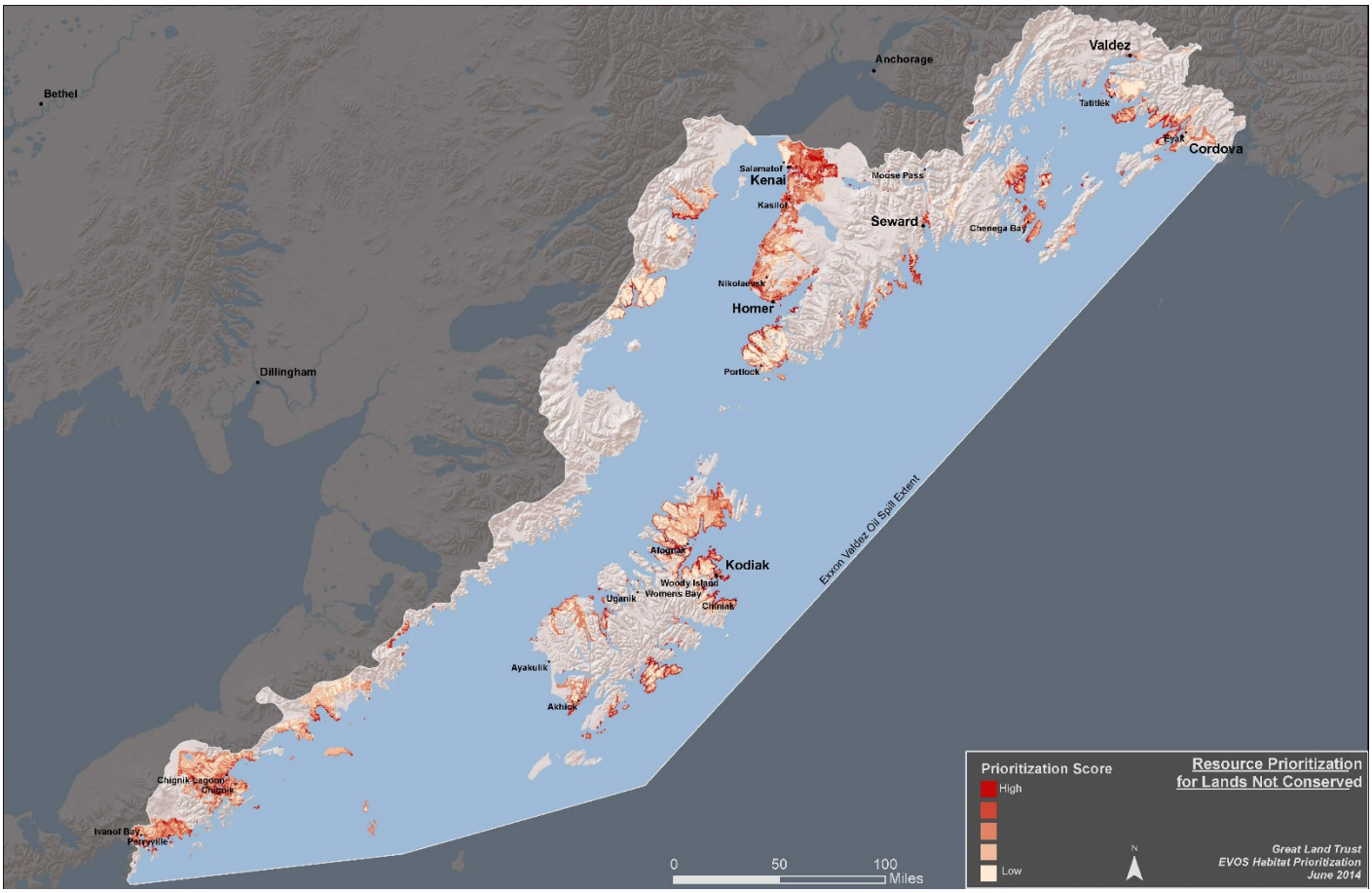
The following budgeted items are based on past experience and reflect what is typical for due diligence for successful Habitat Conservation Projects including:

- Appraisals - GLT will contract a one- or two-phased EVOS compliant appraisal for engaged landowners of high-ranking parcels. In some instances, a two-phased appraisal may be advantageous and save both time and funding. The first phase of the appraisal will include a meeting with the appraiser after he/she has conducted research. The appraiser will report the expected high- and low- range of values for the property. A full appraisal will be contracted and completed only if the initial range of values is acceptable to both the buyer and the seller. GLT will contract a review appraiser to review the EVOS compliant appraisal. For some projects a timber appraisal and a timber cruise will be separately required. Timber appraisals will be reviewed by a qualified timber review appraiser.
- Surveys – Surveys are often conducted during the negotiation process when it is necessary to create a legal description, or determine project boundaries or acreage more precisely. By directly contracting surveys, GLT can advance the project to timely conclusion.
- Phase I/Environmental Site Assessment – GLT will directly coordinate the Phase I Environmental Site Assessment field work and contracted report to determine the condition of the property. GLT will time the completion of the Phase I report to align as needed with the development of the project and needs of project partners.
- Legal Consultation – Due to the unique and complex nature of some of the projects and transactions, outside expert legal counsel is needed on occasion.

Due Diligence/Contractual Budget

Due Diligence Costs	Surveys	Surveys - as needed, depending on property/parcel specifications; $0-$35,000/project/year	$ 50,000.00	
	Appraisals	Appraisals - 3 @ $25,000 (average) each	$ 75,000.00	
	Phase 1 Environmental Assessments	Phase 1 ESA reports @ $10,000 each (average); 3 Phase 1 reports/year	$ 30,000.00	
	Legal	$370/hour x 30 hours	$ 11,100.00	
Contractual Subtotal				**$ 166,100.00**

GLT Habitat Project Budget Total

Direct Operating Costs				**$ 205,500.00**
Due Diligence/Contractual Costs				**$ 166,100.00**
Direct Cost Subtotal				**$ 371,600.00**
de minimis indirect rate – 10%				**$ 37,160.00**
TOTAL REQUEST				**$ 408,760.00**

Map of Project Area