

Sierra Nevada Conservancy-Progress Report

**Sierra Nevada Conservancy Grant Program
Safe Drinking Water, Water Quality and Supply, Flood Control
River and Coastal Protection Act of 2008 (Proposition 84)**

Grantee Name: The Pacific Forest Trust

Project title: Lemon Canyon Ranch

SNC Reference Number: Grant Agreement #161 **Submittal Date:** 1/10/11

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Check one:

 6-Month Progress Report

 X **Final Report**

<p>6-Month Progress Reports should reflect the previous six months. Final Reports should reflect the entire grant period.</p>

A. Progress Report Summary: (Please provide a general description of work completed during this reporting period.)

Over the grant period for Grant Agreement #161, the Pacific Forest Trust (PFT) completed the following project deliverables:

- Completed the environmental hazards report and provided SNC with a copy;
- Completed a review of the final preliminary title report and worked with the landowner to legally remove an expired mineral reservation from the property's title;
- Completed the Baseline Conditions Report for the property;
- Secured the necessary matching funding through a Wildlife Conservation Board (WCB) acquisition grant and a landowner donation;
- Worked with the SNC and WCB to review and finalize the easement and Notice of Unrecorded Grant Agreements for recording; and
- Closed and recorded the conservation easement on the Lemon Canyon Ranch.

B. Deliverables or Outcomes completed during this Reporting Period or Milestones Achieved:

PFT successfully acquired a conservation easement over the 1,455-acre Lemon Canyon Ranch (Sierra County APNs 018-030-002, 018-030-005, 018-030-006) providing permanent protection to approximately 3.5 miles of Lemon Creek and its tributaries in the headwaters of the Middle Fork of the Feather River. Additionally, the conservation easement provides protection to a suite of unique wildlife habitat types and supports continued sustainable grazing and timber operations on the property.

C. Challenges or Opportunities Encountered:

The greatest unanticipated challenge on this project was the State’s freeze in conservation funding. This grant was written and submitted to the SNC in September of 2008, but due to the freeze, the grant agreement wasn’t signed until July 2010. With such uncertainty around the funding and closing timeline, it is difficult to keep a project moving forward and required PFT to negotiate multiple Option extensions with the landowner. We were able to work through this uncertainty by fostering a close and trusting working relationship with the landowner.

D. Unanticipated Successes Achieved: (Please describe any additional successes beyond completing scheduled tasks or meeting scheduled milestones.)

The largest unanticipated success was the securing of a bargain sale component (20% of appraised easement value) for the project. With the appraised easement value at \$1.94 million, this donation reduced the total acquisition cost and allowed us to achieve the same conservation goals at a reduced cost.

E. Compare Actual Costs to Budgeted Costs: (Please refer to your grant agreement to list your deliverables/budget categories and budgeted costs compared to actual costs incurred during this reporting period in the table below.)

PROJECT BUDGET CATEGORIES	Budgeted SNC Dollars	Actual Dollars
SNC Portion of conservation easement purchase price	\$500,000	\$500,000
GRAND TOTAL	\$500,000	\$500,000

Explanation: (if needed)

F. Do you have information to report on the project-specific Performance Measures for your project? (If so, please list the Performance Measures below and describe your progress.)

This project had two project-specific performance measures. At the time of this final report, I am pleased to report that we have met our goals on both of these measures.

Linear feet of stream bank protected: 18,480

Acres of Land Conserved: 1,455

G. Were there any other relevant materials produced under the terms of this Agreement that are not a part of the budgeted deliverables? If so, please attach copies. (Include digital photos, maps, media coverage of project, or other work products.)

There were no additional materials produced that were not part of the budgeted deliverables.

H. Next Steps: (Work anticipated in the next 6 months, including location and timing of any scheduled events related to the project.)

PFT is in the process of planning a closing event to celebrate the acquisition of this conservation easement with our funding and project partners in the spring of this year.

Please Complete this Section for FINAL Report ONLY

Capacity-Building Results and Collaboration and Cooperation with Stakeholders:

(What partnerships did you initiate or strengthen as a result of this project? How did they affect the project outcome? If applicable, how did this grant increase your organization's capacity? What is your plan to sustain this increase?)

Protection of the Sierra Valley's water and wildlife habitat resources has been a continuing priority for the US Fish and Wildlife Service, the CA Department of Fish and Game, the Northern Sierra Partnership, and other public and private partners. In 1998, the Pacific Forest Trust was contacted by the Sierra Business Council to provide a solution that would give permanence to the conservation work being done in the Sierra Valley. PFT stepped in and, working with the local community, completed the first conservation easement in the Valley. Since beginning work on its first Sierra Valley easement and continuing with the Lemon Canyon Ranch conservation easement, PFT has worked with local partners to structure our easements in the Sierra Valley to directly meet the goals of the Sierra County General Plan. We have also worked closely with the CA Department of Fish and Game to develop easement language that will effectively promote the improvement and protection of wildlife habitat on properties protected by conservation easements.

Over the past decade, other land trusts have built upon these efforts through the financial support from The Packard Foundation, the California Wildlife Conservation Board, the Resources Legacy Fund Foundation, the Sierra Nevada Conservancy, and others. Indeed, this work has contributed to the widespread attention and investment the Valley has received. PFT has worked with many of these land trusts and nonprofit groups to identify where our expertise in working forest conservation would be most effective within the scope of the widespread conservation work now underway in the Valley. It was in this context that the "Southern Corridor of Working Forests" was identified; through the support of our partners, PFT has taken the lead on land conservation in the southwestern part of the Valley.

Leveraging public and private investments, and landowner donations, PFT has acquired conservation easements on over 4,470 acres of working forests and ranchlands in the southwestern Sierra Valley. Lemon Canyon Ranch is a continuation of these partnerships; it provides permanent protection of the upland watercourses that feed downstream conservation and restoration projects, and adds additional protection to the Sierra Valley's southwestern corridor. This project, and the SNC grant funds that have enabled it, have helped PFT strengthen its relationships with landowners, funding agencies and partners. During the process of developing this easement, the landowner organized a field day to bring together multiple resource experts and partners to discuss ideas for restoration and ideal grazing practices for the long-term health of the property's wet meadows. This field day is a good example of how this easement has inspired continued cooperation and outreach throughout the process.

The project has also strengthened PFT's understanding of the Valley, its communities, and how to best conserve ecological resources while allowing the ability of landowners to flexibly manage their ranch and forestlands. Indeed, by consulting with landowners, foresters, and resource professionals, PFT utilized this project as an avenue to revamp and tailor its conservation easement forestry restrictions to better fit the goals and realities of a smaller family-owned forest. The landowner's forester, through their involvement in the easement revision process, seems to have transitioned from outright opposition of easement forest management restrictions to an understanding of their use. Likewise, PFT evolved in its understanding of how to tailor forest management restrictions so as to avoid unnecessary landowner costs while still allowing continued sustainable management.

PFT seeks to sustain these efforts through our long-term stewardship of forest and ranchlands on already protected lands, and through continued acquisition of conservation easements in the Sierra Valley.

Description of Project Accomplishments:

1. Most Significant Accomplishment

Describe in one concise, well-written paragraph, the most significant accomplishment that resulted from this grant.

This SNC grant enabled PFT to acquire a permanent conservation easement on the 1,455-acre Lemon Canyon Ranch. This easement conserves approximately 3.5 miles of streams in the headwaters of the Middle Fork of the Feather River and supports the Sierra Valley economy through continued grazing and sustainable timber harvesting. This easement is part of PFT's conservation strategy to protect the ranches in the southwest corridor of the Sierra Valley where the meadowland transitions into upland forest providing key wildlife habitat. With the acquisition of the conservation easement on Lemon Canyon Ranch, PFT has conserved 4,470 acres of working lands within this southwestern corridor of the Sierra Valley.

2. WOW Factor

If applicable, please describe anything that happened as a result of the project or during the project that is particularly impressive.

As was mentioned earlier, during this easement project, the landowner was inspired to host a field day on the Ranch. During this field day a diverse group of wildlife biologists, rangeland specialists, funding partners and federal agency partners met on the property to discuss management strategies for sierran wet meadows that would enhance the wildlife habitat and water resources on the property while maintaining the economic viability of the cattle grazing. The landowner's enthusiasm about the conservation easement project and the ability to reinvest in the property with the funding out of the sale of the conservation easement, inspired a collaborative discussion among multiple resource specialists about how to manage sierra wet meadows for their long-term health and sustainability.

3. Design and Implementation

When considering the design and implementation of this project, what lessons did you learn that might help other grantees implement similar work?

PFT learned several important lessons:

- 1) Engage land managers - in this case, the landowner's future forest resource manager - in the easement drafting process. This helps strengthen the easement, making it more workable given on-the-ground management realities, and helps (we hope) ensure long-term support of the easement by both the landowner and other resource professionals.
- 2) Do not lose momentum early in project development. Even if funding looks grim, if a project is a viable one likely to garner funding, it is important to have it ready when funding returns.

4. Indirect Impact

Please describe any indirect benefits of the project such as information that has been developed as a result of the project is being used by several other organizations to improve decision-making, or a conservation easement funded by this grant that encouraged other landowners in the area to have conservation easements on their property.

PFT hopes that, like prior easements in the Sierra Valley, the strength and purpose of this easement, and our long-term stewardship of the property, will eventually lead to further conservation opportunities in the southern region of Sierra Valley. Additionally, working with the landowner and their forester has helped PFT refine its working forest conservation easement language so as to make it more usable/applicable to smaller, family-owned forests. This will be especially important in facilitating PFT's understanding of the economic realities facing smaller forestland owners and our continued work to make sustainable forestry an economically viable land use.

5. Collaboration and Conflict Resolution

If you worked in collaboration or cooperation with other organizations or institutions, describe those arrangements and their importance to the project. Also, describe if you encountered conflict in the project and how you dealt with it, or if there was conflict avoided as a result of the project.

PFT worked with UC Extension, the Natural Resources Conservation Service, and the County of Sierra to help better understand the property, and therefore, to better delineate the management zones specified by the easement.

Fortunately, PFT did not encounter conflict during any stage of the project. The landowner is a widely respected rancher and leader in Sierra Valley with a strong stewardship ethic. PFT, for its part, has developed strong relationships with many throughout the region, having secured its first conservation easement over ten years ago. Thus, the project has enjoyed support from a suite of local stakeholders, with no apparent opposition.

6. Capacity-Building

SNC is interested in both the capacity of your organization, as well as local and regional capacity. Please describe the overall health of your organization including areas in need of assistance. SNC is interested in the strength and involvement of your board, significant changes to your staff, size and involvement of membership. In addition, describe how your project improved capabilities of partners, or the larger community.

PFT has suffered through the recent economic crisis just like many other non-profit land trusts, experiencing reduced foundation support and less income from project-

related work. However, PFT remains healthy. It has maintained and even added new funding partners, and has even increased the geographic scope and size of its staff base in recent years – opening up offices in Washington and Massachusetts. PFT has also been engaged in an organizational development initiative to increase organizational efficiency, improve staff well-being, and increase board involvement.

PFT strongly believes that this project will improve the capacity of Sierra Valley communities to retain their sense of community and land, strengthen their sustainable use of land and water resources, and conserve the area’s significant scenic beauty and character.

7. Challenges

Did the project face internal or external challenges? How were they addressed? Describe each challenge and any actions that you took to address it. Was there something that SNC did or could have done to assist you? Did you have to change any of your key objectives in response to conditions “on the ground”?

Again, the main challenge to the project was an external one – the freezing of state bond funding available for acquisition of conservation easements. Fortunately, this has not required PFT to alter its key objectives, though it did require that PFT adjust its strategy. In response to funding delays, PFT extended and reduced the pace of its work to better match anticipated trends and reduce organizational risk; we also negotiated an option extension with the landowner. Further, PFT actively pursued a landowner donation component to help reduce acquisition funding needs and increase the priority/ranking of the project to the Wildlife Conservation Board.

8. Photographs

Grantees are strongly encouraged to submit photos, slides or digital images whenever possible. These images will be used for SNC publications such as annual reports or on the website. Please make sure you clearly identify location, activity, and your project with each submitted image. Images will be credited to the submitting organization, unless specified otherwise.

Photographs were previously submitted with the final project documentation.

9. Post Grant Plans

What are the post-grant plans for the project if it does not conclude with the grant? Include a description of the following (if applicable): (1) Changes in operations or scope; (2) Replication or use of findings; (3) Names of other organizations you expect to involve; (4) Plans to support the project financially, and; (5) Communication plans?

This acquisition project concludes with the closing of this grant. However, PFT will begin its long-term stewardship of the conservation easement, working with the landowner and their resource advisors to ensure that the conservation purposes of the easement are upheld.

10. Post Grant Contact

Who can be contacted a few years from now to follow up on the project? Please provide name and contact information.

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SNC-approved Performance Measures: (Please list each Performance Measure for your Project, as identified in your Grant Agreement, and the results/outcomes.)

1. Resources Leveraged in the Sierra Nevada

Please see the table below for a description of the funding used to match the SNC \$500,000 grant.

Funding Source	Use of Funding	Amount
Wildlife Conservation Board	Easement acquisition funding	\$1,052,000
Landowner Donation	Bargain sale plus donation for stewardship endowment and project costs	\$523,800

Total Matching Funding used to leverage this SNC grant = \$1,575,800

2. Number and Diversity of People Reached:

As this project closed at the end of the year, PFT has not published a newsletter since the project closing. We will be including a story on this project in our next newsletter. PFT’s newsletter reaches a diverse group of 6,500 people from CA citizens to local government officials to state and federal agency partners, and other project partners and landowners.

3. Number and Types of Jobs Created:

As discussed in our project application, the majority of the work completed under this grant agreement was performed by PFT staff and did not create any new jobs.

4. Number and Value of New, Improved or Preserved Economic Activities:

The property is not currently producing timber income. The landowner will be using some of the easement acquisition money to hire a registered professional forester to complete a non-industrial timber management plan (NTMP), which will provide for future timber income off the property. The property currently supports approximately 300 cattle and provides employment for one rangeland manager.

5. Linear feet of stream bank protected:

The conservation easement protects nearly 18,480 linear feet of stream bank along Lemon Creek and its tributaries.

6. Acres of Land Conserved:

1,455 acres were permanently conserved through the conservation easement acquisition.