

## Kelly Ranch Conservation Easement Project Description Narrative

### *Project Summary*

The purpose of the Kelly Ranch Conservation Project is to conserve and enhance the ranch's ecological and agricultural values through a conservation easement funded by Sierra Nevada Conservancy (SNC), to conserve the headwaters of Mariposa Creek, a critical water source to the people of Mariposa, and to facilitate restoration projects funded by National Resource Conservation Service (NRCS). The funds awarded by SNC would be used to purchase the conservation easement from the landowners. The easement will ensure perpetual protection of the land and the many resources found on the property. It would also allow the Kelly's to continue their small ranching and agricultural operation. The Kelly's have worked with NRCS in the past, and will use the capital from the easement purchase as matching funds for future NRCS water development projects. In essence, these funds will have twice the conservation effect.

The outcomes of the Kelly Ranch Conservation Project will include the protection of 167 acres of working landscape, including a permanent conservation easement on 123 acres of rangeland, the facilitation of a new collaboration between the NRCS and SFC and the leveraging of SNC dollars to complete habitat and agricultural enhancement projects through NRCS matching funds.

### *Environmental Description*

The Kelly Ranch perches on the sloping foothills below Mt. Bullion, just five miles outside of the town of Mariposa. The most remarkable features of this property are the three artisanal springs that bubble out of the ground. These springs produce 10-15 gallons of water per minute even in dry seasons, turning the often-brown landscape into a green oasis. These springs feed into the headwaters of Mariposa Creek, the main tributary of the Mariposa Stream System, which eventually flows into the San Joaquin River.

This year-round water supply, a unique condition in the foothills, created optimal habitat for many species. The healthy riparian corridor lines the creek provides cover and forage for many species of birds, raptors, amphibians, and large mammals—bears, coyotes and mountain lions have been seen on the property. There are three spring-fed ponds on the property, which have been created and maintained with funds from NRCS. These ponds provide water to the cattle and horses, and well as habitat and for the Western Pond Turtle, a listed species, and as a flyover for migrating birds.

In the spring, the water rushes from multiple vernal springs in the hills on and above the ranch. A 30ft waterfall plunges across limestone into one of the Kelly's ponds. This onslaught of spring run-off water is pooled in the ponds on the property, and then released into Mariposa Creek and the San Joaquin Watershed.

Away from the water sources, the property is primarily oak woodland, a rare ecosystem. The south facing slopes host an array of plant diversity. There are also flat areas that make for excellent pasture for deer and for cattle.

The presence of water also made the property attractive to humans. There are several granite bedrock mortars on the property, indicating that it was a gathering site

for the local Miwuk tribe. There is a historic Chinese Camp on the property, and the wall these frontiersmen built still stands. After the Chinese, came the French, who built up a few of the springs and terraced one of the hills. These ruins are spectacular historic areas. The French Camp provided supplies to many of the gold miners in the area.

The ranch, then named the Foran Ranch, was then a site of a small hotel, which used Bonnet Springs as their primary water source. The foundations for this small business are still visible (see photo sheet). It is critical to protect these sites from future development or destruction, as they tell an important story of the land.

The springs, after supporting all this history and biodiversity, then flow into the headwaters of Mariposa Creek. Mariposa Creek is a centerpiece in the town of Mariposa. Mariposa County funded the "Mariposa Creek Parkway", a lovely meander alongside the creek. The Mariposa Master Gardeners, in conjunction with the University of California Cooperative Extension, created a garden along the parkway, which highlights the native flora of the area. Mariposa, one of the gateway towns to Yosemite National Park, hosts many tourists every year, and this creek parkway is one of the town highlights. After meandering through town, Mariposa Creek is utilized by the Mariposa Public Utility District as part of the water treatment for the community. This is a stream of many uses, and protecting Mariposa Creek's headwaters is one of the best ways to protect the creek.

This property is protected by the Williamson Act.

### *Project Quality and Readiness*

Sierra Foothill Conservancy currently holds 26 conservation easements throughout Fresno, Merced, and Mariposa Counties. Since 1996, we have been working with local landowners to protect their land from development, and protect their livelihoods and heritage. By perpetually protecting these rangeland properties, SFC also conserves the natural resources of the land-- the water, habitat, historical, and cultural values are maintained. Through these easements and our 6 preserves, SFC has successfully protected more than 25,000 acres in the Central Sierra foothills.

Our staff spends a great deal of time vetting potential projects and has a clear track record of only moving forward on projects with significant conservation benefits. We were approached by the Kelly's, by suggestion of the National Resource Conservation Service (NRCS), as they want to ensure their land is never subdivided or developed. Staff, committees, and our governing board reviewed the project, and agree that this property has substantial environmental, economic, and social qualities and is worthy of protection.

In the 1950's-1970's, Mariposa County produced numerous agricultural products that fed the local and surrounding communities, the Kelly Ranch seeks to revive this quality of the small farm that was once a critical part of the local economy and culture. The Kelly Ranch produces numerous local agricultural products. The Ranch operations consist of a cow calf cattle operation, raising horses, 11 acres of wine vineyard, bee hives, and plans for an orchard, free range chickens and eggs, 3 ponds stocked with bass, crappie, and green sunfish. The Kelly's cattle operation currently consists of 5 cows and 5 calves, and the Kelly's aim to grow their herd from within over the next few years to around 25-30 head. Once the herd is above 15 head, the Kelly's will have to

transport their cattle to over properties, as not to overgraze their land. However, they have neighbors willing to give them grazing leases.

The Kelly's also breed and raise horses; they have 4 permanent breed mares and a stallion. This year, they have already sold six head.

Additionally, the Kelly's host agri-tourism events such as trail rides and tours of the historical ruins on the property. They plan to expand their agricultural and agri-tourism operation as they implement the habitat restoration projects, historical site research and restoration.

This project will fund a innovative partnership between SFC and the National Resource Conservation Service. The Kelly's have worked with NRCS to implement several conservation projects on their property already. These projects include, but are not restricted to: cleared 41 acres of dense, overstocked brush to reduce fire hazard, improve rangeland health, and improve access and forage for livestock and wildlife; Improved three existing springs by installing 2,632 ft. pipeline, 1 pumping plant, 2 water tanks, 3 water troughs, and planting 2.6 ac. of riparian buffer; utilized prescribed grazing on 145 acres to enhance rangeland health, and improve forage and animal distribution. These are the types of projects that will continue on the property with the help of SNC and NRCS funds.

With the help of the Mariposa NRCS, the landowners applied for the Grasslands Reserve Program funding. The Kelly Ranch Conservation Easement ranked in the top 25<sup>th</sup> percentile of the GRP Funded Conservation Easement projects, unfortunately only one project was provided funding through GRP in California this year due to budget restrictions. SFC believes that this high ranking in a statewide competitive program and NRCS's dedication to finding a conservation partner to collaborate on this project are good indicators that the Kelly Ranch Conservation Project is well worth the Sierra Nevada Conservancy's consideration. The conservation easement will cover 123 acres on the property, as the remaining 43 acres are used as agricultural land.

Funds provided by Sierra Nevada Conservancy for the purchase of the conservation easement will be utilized by the landowner as matching funds required for several NRCS projects. Planned restoration and agricultural enhancement projects to be funded through NRCS programs include: riparian protection fencing, livestock watering facility development, streambed channel stabilization, native riparian plant enhancement and temporary irrigation. The Kelly Ranch Conservation Project will also seek funds and volunteers for archeological and cultural restoration work. NRCS funding is undetermined at this time as the landowner is currently applying for those programs, but could range from \$20,000-200,000 in projects. SFC will execute the SNC funded conservation easement and provide local land management and restoration expertise for the NRCS funded projects. This collaboration between SFC and NRCS enhances this project, and will continue to benefit conservation projects county-wide.

If the Ranch were to be subdivided and developed, the habitats described here would become fragmented and/or destroyed and would no longer be able to support such a rich diversity of species. Additionally, any type of major construction would put the water ways at risk by increasing erosion.

This grant will produce a completed conservation easement on the Kelly Ranch, providing for perpetual protection of the land and resources. The Kelly's will donate

\$20,000 to SFC to create a stewardship endowment, giving funds to SFC to complete their due diligence and monitor the easement in perpetuity.

#### *Consistency with the Goals of Proposition 84*

Proposition 84 mandates that awards go to projects that protect and restore rivers, lakes and streams, their watersheds and associated land, water, and other natural resources. The Kelly Ranch Conservation Project will not only perpetually protect several year-round springs, ponds, the headwaters of Mariposa Creek, an important water feature in Mariposa County, and the general health of the watershed, it will also provide funds to develop and conserve these water sources. Well managed water benefits every aspect of the system—the human users both at the source and downstream, the wildlife, and the habitat resources.

#### *SNC Program Objectives*

The Kelly Ranch Conservation Project aligns with many of SNC's objectives and goals.

##### *Provide increased opportunities for tourism and recreation:*

The Kelly's are very generous with their property. Already, they hold horse rides and tours of their land, sharing the unique historic sites and habitats. SFC will be able to lead hikes and classes on their property, as part of our Hike and Classes Program. These hikes are led by local experts, and usually have 10-20 participants.

##### *Protect, conserve, and restore the Region's physical, cultural, archaeological, historical, and living resources:*

By placing an easement on the Kelly Ranch, SFC will ensure its resources will remain intact for perpetuity. The projects that will be designed by NRCS will restore and conserve the resources. The ranch contains such a wealth of physical, living, cultural, historical, and archeological resources, that SFC and NRCS thinks it is critical to preserve. Miwuk gathering sites, historical buildings and infrastructure, and a historic and modern working landscape are all bundled on the Kelly Ranch.

##### *Aid in the preservation of working landscapes*

As described above, the landowners are involved in several ranching and agricultural practices. The Kelly Ranch is a very productive landscape, and will only increase utility when it is protected as an easement and restored through NRCS.

##### *Protect and improve water and air quality:*

Protecting the property around these springs, streams, and ponds will certainly improve water quality on site, downstream, and throughout the watershed. Additionally, the development projects that NRCS will lead will increase water quality by removing invasive plants and increasing native vegetation, thus reducing run-off, erosion, and particulate matter in the streambed.

*Assist the Regional economy*

SNC will ensure that this project will assist the local economy by allowing the Kelly Ranch to operate as a working landscape instead of being developed into housing or otherwise. The latest Mariposa County Agricultural Crop and Livestock Report states that, at \$18.7 million, calf and cow operations makes up 60% of Mariposa’s Agricultural Crop revenue, and is the leading farm commodity.<sup>1</sup> Rangeland, with a value of \$5.8 million, is the second farm commodity in the county.<sup>2</sup> SFC recognizes that protecting these resources is critical for our local economy.

*Workplan and Schedule Narrative*

The Sierra Foothill Conservancy is ready to move forward with the completion of the project contingent on receiving a grant of \$184,000 from the Sierra Nevada Conservancy. The requested funds would be used to cover the cost of the Kelly Ranch conservation easement purchase and related expenses. The two factors that will affect the timeline and completion of the project are the State’s approval of the appraisal and the transaction review.

<b>Task</b>	<b>Estimated Completion Date</b>
Finalize easement language, including legal review	June, 2013
Finalize escrow instructions	2 month after grant award
Complete baseline, management plan and monitoring protocol	2 months after grant award
Close escrow and record conservation easement	6 months after grant award
Erect signage recognizing project	Fall, 2013
Send out press release	Fall, 2013
6 month SNC report	Fall, 2013
Kelly Ranch Conservation Easement Celebration	Spring 2014
Conduct annual monitoring visits	Starting 1 year after project
Performance Measures	Annually through 2015
Final Report	Fall, 2014

*Budget Narrative—please see budget worksheet*

Sierra Foothill Conservancy requests \$184,000 from Sierra Nevada Conservancy.

*Direct Costs*

<sup>1</sup> Agricultural Crop and Livestock Report, Mariposa County Dept. of Agriculture, 2011. [www.mariposacounty.org](http://www.mariposacounty.org)

<sup>2</sup> *ibid*

\$123,000 of the budget is for the conservation easement acquisition cost. This cost is an estimate of the conservation easement appraisal, which will be completed and submitted to SNC. Typically, conservation easements value at 40-60% of the total land value. This budget is based on a 50% of total land value estimate.

\$5,000 will be used in escrow fees and closing costs, and \$13,000 is budgeted for legal fees. \$15,000 is budgeted for staff time completed the legal documents, maps, and exhibits, and due diligence for the project.

#### *Indirect Costs*

\$4,000 is budgeted as indirect staff time, as reporting performance measures, collaborating with NRCS, and continuing public relations and outreach. The printing materials required also figures at \$1,000.

#### *Admin Costs*

\$19,000 is budgeted for administrative staff time, including financial oversight and preparing for the annual budget. \$3,000 is budgeted for overhead costs, including office rent, utilities and materials. This comes to 12% of the total project costs.

#### *Other Project Contributions*

The Kelly's have agreed to donate approximately \$15,000 to SFC's stewardship and legal defense funds. They also spent \$5,000 on a conservation easement appraisal. These funds are used for the perpetual protection and monitoring of the easement.

Because of the protection provided by the easement, NRCS and the Kelly's will complete several restoration and conservation projects. These projects, depending on their final design, could contribute \$20,000-\$200,000 to the property and the conservation efforts of the region.

NRCS and SFC have spent about \$3,200 in staff time preparing this projects. Additionally, NRCS has done extensive conservation planning in the area, which benefits this project and others. Finally, as we plan and execute our conservation easement celebration, SFC and volunteers will donate \$1,000 of time and money to the party.

#### *Restrictions, Technical/Environmental Documents, and Agreements Narrative*

The appraisal for this property was ordered in early October. We hope to submit the final appraisal, completed by a Certified Real Estate Appraiser, to SNC by early December.

This project is Exempt from CEQA, under section 15317 (Open Space Contracts or Easements), based on the goal to perpetuate grazing habitat and open space, and because the property transfer would be between two private parties. SFC will provide any addition information SNC needs to file a Notice of Exemption.

#### *Organizational Capacity*

SFC holds 26 conservation easements throughout the Central Sierra Foothills. As a regional land trust, SFC knows how to engage with landowners to be sure that the mutual goals are met. SFC has the staffing capacity and expertise to write the necessary legal documents, the management plan, and engage in activities to improve grazing and wildlife habitat on the property. Our Conservation Director has completed several conservation easements, and thus is very familiar with the process. Our Stewardship Director has a background in rangeland science and our preserve managers have several years of experience in completing innovative projects to enhance water quality and improve wildlife habitat on our preserves. The combined skills and experience of SFC staff are ideal for overseeing the protection and improvement of the conservation values on the Kelly Ranch property. In addition, the NRCS has been working in the area on resource conservation and restoration projects for years. This project will greatly benefit by the partnership between NRCS and SFC.

### *Cooperation and Community Support*

This project has a large amount of community support. SFC and NRCS are both respected organizations in the Mariposa community, thus a partnership will be highly looked upon. The Mariposa Creek is a highlight of the town, both for tourism, scenic values, and health values, and many organizations are anxious to see that protected as well.

### Letters of Support:

- National Resource Conservation Service (included)
- Mariposa Public Utility District (included)
- Yosemite Area Audubon (mailed to SNC Auburn Office)
- Sierra Business Council (included)
- Neighboring land owners (mailed to SNC Auburn Office)
  - Shulz (included)
  - Gamble (included)
- Mariposa County Supervisors (included)

We would like to note that the Mariposa Resource Conservation District also supports this project, but was unable to draft a letter as their board did not meet in October.

### *Long Term Sustainability*

The landowner, with the advice from SFC, will be responsible for the long-term management of the property. The conservation easement restricts activities that would be harmful to the long term sustainability of the resources present on the property and also requires the landowner to prepare a management plan in cooperation with SFC. The management plan will address the number of cattle on the property and duration of grazing as well as ensure grazing is conducted so as to maintain and improve the

wildlife habitat and water quality present on the property. The management plan will also address invasive species control when necessary. The long-term management of the property will be paid for by the landowner and funded through income from the cattle operation. As indicated in the Performance Measures, the landowners may use SNC funds from the easement sale to increase the viability of the ranch management. SFC will report the long term management benefits of such investments.

Currently the habitat is in excellent condition and there is very little need for restoration work. The conditions of the property will be assessed annually as part of the monitoring process and appropriate actions will be taken when necessary. In the future it may be appropriate to engage in activities to improve the habitat on the property. These activities will be based on research and field work conducted by both SFC and the landowner.

Sierra Foothill Conservancy takes the stewardship and enforcement of its conservation easements very seriously. SFC has created a Conservation Easement Stewardship Fund. The land owner has agreed to donate 5% of the conservation easement sale price to the stewardship fund. The interest from the Stewardship Fund is used to pay for annual monitoring of conservation easements held by SFC. In addition, SFC has set up a Conservation Easement Defense Fund in order to pay for legal costs associated with conservation easement enforcement. Both of these funds were created through donations received from the community. SFC will continue to build these funds to ensure the resources are in place to monitor and enforce all conservation easements held by SFC in perpetuity.

### *Performance Measures*

#### *Number and Diversity of People Reached*

SFC plans to write several articles about the acquisition and protection of the Kelly Ranch. We will have an article in the *Mariposa Gazette*, a weekly newspaper in the town of Mariposa. We will also write an article for SFC's *Foothill Advocate*, which is sent to our 1,200 members. We will also highlight the project in our e-newsletter and on our website, tracking the number of web visitors while the project is written about. SFC will report the number of web hits, and report total circulation numbers.

We will also sponsor a Kelly Ranch celebration, inviting the neighboring land owners, other stakeholders, and community members to hear about the work SNC, SFC, NRCS, and the Kelly's have done to protect their land and livelihoods. We will track the number and diversity of people with a sign-in sheet at the event.

Because of the proximity of the Kelly Ranch to Mariposa, and because of the willingness of the landowners to share their land, SFC will host hikes and classes on their property. We will host two hikes a year, and with an average attendance of 15-30, we will be sharing the land and project with 40-60 people yearly. Hikes are open to everyone, and are often multigenerational. Again, we will be able to track outreach by having hikers sign-in.

### *Number and Type of Jobs Created*

The restoration projects that will be partially funded by NRCS will allow the Kelly's to contract the labor. Depending on the final scope of the projects, up to 1.5 F.T.E. will be created. SFC will enquire on the various projects as we monitor the property and progress.

### *Number and Value of New, Improved or Preserved Economic Activities*

The completion of the Kelly Ranch Conservation Easement will insure the preservation of 160 acres of viable grazing land, generating feed for approximately 16 head of cattle annually. At an average market value (\$680/calf), the protection of this working landscape preserves approximately \$6,000 of local beef sale income. Insuring that this property remains an intact working landscape also preserves the employment of 3 people.

The Kelly's also organize a variety of other agricultural activities; raising and selling horses, 11 acres of wine vineyard, bee hives, and plans for an orchard, free range chickens and eggs. We will ask the Kelly's to monitor their income from these agricultural activities throughout the duration of the grant. As the NRCS projects are implemented, we expect to see an increase in profits.

### *Resources Leveraged for the Sierra Nevada*

With the completion of the Kelly Ranch Conservation Easement, SNC will provide funds to the Kelly Ranch, which they will then use as matching funds required for NRCS restoration projects. NRCS funding is undetermined at this time as the landowner is applying for those programs now, but could range from \$20,000-200,000 in projects. NRCS will facilitate agricultural and restoration guidance and funding assistance through their programs. SFC will monitor the success of these projects as they are development and implemented.

### *Acres of Land Conserved*

The Kelly Ranch Conservation Easement will perpetually protect 123 acres of oak woodland in the Sierra Foothills. The easement will remove all development rights on this completely undeveloped property maintaining the wildlife, water and plant conservation values of the entire Ranch.

### *Number of Significant Sites Protected or Preserved*

Though the sites on the Kelly Ranch are not officially designated as historic sites, we believe they are historically and culturally significant, and will work to protect them and promote their importance. These sites include: the 1000 ft of Chinese wall, French Camp terraces, still in good shape near Bonnet Springs, and the foundation for the Bonnet Spring hotel. The conservation easement will protect these sites from development, and the NRCS projects will help restore them.