Eastern North Carolina Market Based Conservation Initiative

A Partnership to Protect a Military Training Route and Conserve Rural Working Lands
Shared Interests

- **Military**
  - Need dark night skies and open space
  - Readiness is a perishable skill *Train as they fight*
  - Since 1957, USMC has lost approximately 85% of available flight training area in eastern North Carolina

- **Conservation**
  - NC lost 1 million acres of forestland between 1990 and 2002, three quarters of this loss to urban development.
  - Since 2002, NC has lost more than 6,000 farms and 600,000 acres of farmland.

  **Landuse conversion is a shared threat to military readiness and rural working lands (farms, ranches, and forests)**
MBCI Program Area

- 200 mile loop, 2 miles wide
- Covers ~400,000 acres
- ~7% Developed
- ~93% Open Space
- Major Landuse:
  - Forestry 50%
  - Agriculture 37%
Ownership Underlying the MTR

~10% State, Federal, or other public/protected lands

~90% private ownership
MBCI Program Design

- Design program based on landowner preferences and willingness to participate
- Based on input from the partnership and landowners:
  - Focus on performance based term contracts of 10, 20, 30 years
    - Flexibility in estate planning
    - Comfort level—similar to USDA Farm Bill programs they regularly work with
  - Delivered at the local level—SWCD, NRCS, County Extension Agents, landowner groups
ENC Market Based Conservation Initiative  Three year proof-of-concept

- Basic ecosystem service—dark skies and open space
- Landowners will voluntarily submit bids utilizing a reverse auction system modeled on CRP and Recovery Credit Systems
- Bids will be ranked based on pre-defined selection criteria
- Performance based contracts awarded on 10, 20, 30 year terms
- Declaration of restriction
- $2 million/year allocated to landowner contracts through OSD REPI
MBCI Pilot Program Delivery System

**PRIMARY**
- NC Foundation for Soil and Water Conservation
- NC Association of Soil and Water Conservation Districts
- 18 Local Soil and Water Conservation Districts

**OTHER PARTNERS**
- NC Farm Bureau
- NC State University Cooperative Extension
- NC Department of Agriculture and Consumer Services
- Environmental Defense Fund
- NC Department of Environment and Natural Resources
- NC Forestry Association
- USDA Natural Resource Conservation Service
- NC State Grange
- Texas A&M University
- Local Voluntary Agriculture District Boards
Agreements with Association and local Districts for program delivery and landowner outreach

Hold, account for, and disperse funds

Administrator of contracts with landowners

Process annual payments to landowners
Association of Soil and Water Conservation Districts Roles

- Collaborate at statewide level with all Partners
- Develop landowner outreach materials and deliver technical trainings for local teams
- Coordinate outreach and projects with local Districts
Local Soil and Water Conservation District Roles

- Promote program at local county level
- Conduct landowner workshops
- Certify land ownership & basic program eligibility
- Assist landowners with bid package
- Coordinate monitoring & compliance activities
MBCI Pilot Program Application Criteria

- Parcel must underlie designated Military Training Route or Special Use Air Space
- Parcel must be classified under NC Present Use Valuation Taxation Program as agriculture, forestry, or wildlife
- Required to have an active Conservation Plan, Forestry Management Plan or Wildlife Management Plan
MBCI Pilot Program Contract Requirements

- Maintain land use as agricultural or forestry production, game lands allowed
- Maintain parcel enrollment in NC Present Use Valuation Taxation Program as agriculture, forestry, or wildlife
- Maintain an active management plan
- *No tall structures above 100 feet*
- *No lights shining upward*
- *No non-ag related or cluster development*
- *No construction of permitted landfills*
MBCI Pilot Program
Potential Ranking Criteria

- Conservation Characteristics
- Threat of Conversion
- Military Training Needs
- Landowner Bid
- Location of Property

Not listed in order of value, final ranking to be determined by the Selection Committee
Repeat 1–2x

First bid round

Spring 2013
Introducing Competition and Market Forces

- Phase 1
- Phase 2
- Phase 3

$/Acre vs. Round 1, Round 2, Round 3
MBCI Pilot Program Potential Outcomes

- Cost effective protection of a valuable military training route, strengthen military ties in NC
- Increase number of acres under active conservation management
- Strengthen rural economies—family farms and forests
- Serves as a gateway to other conservation programs
  - CRP, CREP, LLP, EQIP, WHIP, etc.
- Pilot for future state and national ecosystem services opportunities
- Foundation for future PES markets and credit stacking
The Bigger Picture

- Over 7 million acres in NC alone are under MTRs for the various services
- Issues are not unique to eastern NC
- Nationwide opportunities
Backup slides
Parcels Underlying the MTR

<table>
<thead>
<tr>
<th>County</th>
<th>#</th>
<th>Avg. size of parcels (acres)</th>
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<tbody>
<tr>
<td>Beaufort</td>
<td>2854</td>
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<td>1833.4</td>
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<tr>
<td><strong>Average</strong></td>
<td><strong>2921</strong></td>
<td><strong>182.6</strong></td>
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- MTR intersects 1611 parcels in Onslow and Jones counties
- 3 of the parcels are > 30,000 acres each (Hoffman Forest and Croatan NF)
- Remaining 1608 parcels
  - Range 0.1 – 1470 acres
  - Average: 25.8 acres