



Program Guide

2013

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North Carolina Foundation for
Soil & Water Conservation, Inc.



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Introduction

Thank you for your interest in the new innovative Market Based Conservation Initiative (MBCI) for private lands in 18 eastern North Carolina counties. The purpose for this document is to provide answers to questions regarding MBCI and to convey details surrounding the background and objectives of the program, how the program will operate, and most importantly, how you can become an active participant.

It is important for you to understand that the MBCI is a pilot, the first of its kind in the nation. The military is losing access to important training areas due to development and the Department of Defense has partnered with the Conservation Partnership in North Carolina to test out new cost effective innovative tools for protecting their key training areas not directly adjacent to bases. The primary purpose of the MBCI pilot is to determine in what ways private landowners can be incentivized with term limited contracts to keep their land in its current usage of agriculture and forestry under a specific military flight training route. The funds in place are to test new tools, but at the end of the pilot, the military flight training route will not be 100% protected with contracts with private landowners. The pilot will demonstrate the best methods going forward to protecting any military flight training area.

The Conservation Partnership in North Carolina is interested in supporting a traditional way of life in Eastern North Carolina and sees this MBCI Pilot opportunity as a way to achieve this goal. Many years have gone into planning this pilot and North Carolina is proud to be a testing ground for a new conservation concept.

MBCI in Brief

- The MBCI is an innovative voluntary program aimed at specific portions of 18 counties to help protect rural lands and the military training airspace directly over those lands.
- Data collected from the MBCI will be used to determine if this type of program is a viable option on a national scale.
- Once the property is determined to be under the military flight path, the owner(s) of the property can apply to receive financial incentives to keep their land in **agriculture, forestry, wildlife, or other compatible conservation land uses**.
- The process to receive annual payments for keeping private lands rural begins with an application filled out by the landowner so that eligibility can be determined. Applications will then be individually ranked in accordance with program guidelines and considered for acceptance.
- The program will be implemented through fixed term contracts that are between the landowner and the North Carolina Foundation for Soil & Water Conservation for periods



ranging from 10 to 30 years. Limited restrictions will be placed on the land but landowners will continue to retain ownership and all agriculture, forestry, and/or wildlife income.

- Participating landowners must have a conservation or land management plan and they can implement their plan accessing technical assistance available through the counties' local Soil & Water Conservation Districts as well as other statewide agencies.
- The Districts have trained staff and are equipped to provide technical assistance to landowners to facilitate a smooth application and contracting process.

MBCI Purpose

- The MBCI is designed to protect rural working lands, including agriculture, forestry, wildlife and other similar open space land uses, and their associated natural resources.
- The MBCI seeks to protect these land uses because they are the most compatible with military training that utilizes the overhead airspace.
- The program is dedicated to providing voluntary, incentive based opportunities to private landowners in protecting their land.

MBCI Organizations and Partners

- The MBCI is the result of over 2 years of planning by an experienced set of conservation organizations and agencies interested in making a difference in protecting the rural working lands of eastern North Carolina, providing additional income for rural landowners, and supporting military training needs.
- Overall, 30 stakeholder organizations are engaged in this initiative to contribute leadership, technical expertise, program administration skills, information and monetary resources to MBCI.
- The North Carolina Foundation for Soil & Water Conservation (the Foundation), the North Carolina Association of Soil & Water Conservation Districts (the Association), 18 local Soil & Water Conservation Districts (the Districts), the North Carolina Agriculture Development & Farmland Preservation Trust Fund, the North Carolina Forestry Association, the NC Farm Bureau, the NC Department of Agriculture and Consumer Services, NC State University, the US Marine Corps Installations East (MCIEAST - includes all US Marine Corps Installation east of the Mississippi River) and others are responsible for organizing this program.
- The program will be delivered through the 18 Districts, and landowner contracts will be managed by the Foundation.

Program Background Information

Area covered under the MBCI

- Portions of 18 North Carolina counties – Beaufort, Bertie, Carteret, Craven, Duplin, Edgecombe, Franklin, Halifax, Harnett, Johnston, Jones, Lenoir, Martin, Nash, Onslow, Pamlico, Sampson, and Wake.
- Both the two mile wide existing military airspace training route, which crosses over the 18 counties, and a designated special use airspace are considered part of the project area. Throughout the rest of this document both areas will be referred to as the military training route (MTR).
- Private landowners owning land directly under the MTR have the unique opportunity to participate in MBCI and receive annual payments for keeping their property as working land (i.e. agriculture, forestry, and wildlife).

Definition of encroachment

- The term encroachment, for MBCI purposes, can be understood as the act of gradually changing the rural landscapes of North Carolina by introducing high structures or bright upward shining lights which have an unintended impact of interfering with military training flight paths.
- MBCI offers opportunities for private landowners to voluntarily agree to avoid such interferences by keeping their land in agriculture, forestry, and wildlife, limiting future development to agriculture/forestry related enterprises, building no structures over 100 feet tall, constructing no landfills which require a permit, and projecting no upward shining light.

MBCI Funding

Funding for MBCI is made possible by the Office of the Secretary of Defense through the U.S. Navy and MCIEAST. Other costs associated with implementing the program are covered by the NC Agriculture Development & Farmland Preservation Trust Fund and other sources.

Primary Partner Roles

- The Foundation will be responsible for the management of the landowner contracts and the payment process. Specific responsibilities include:
 - Receive, hold, account for, disburse, and manage funding received from the military.
 - Enter into contracts with participating landowners.
 - Act as the administrator of the contracts including making annual payments and insuring compliance with the landowner contracts.

- The Association will coordinate all District level training and efforts. Specific responsibilities include:
 - Coordinate the program with the 18 districts.
 - Develop and deliver training to district staff and cooperating agencies.
 - Assist districts with landowner workshops.
 - Coordinate with stakeholders and seek their program support.
- The Districts will be the primary direct contact with landowners. Specific responsibilities include:
 - Advertise, promote, and implement the program at the local level.
 - Conduct workshops about the program for interested landowners.
 - Act as the point of contact for landowners.
 - Verify land ownership and property description.
 - Assist landowners with development of application packages.

Landowner Program Opportunities

- Enhanced land productivity opportunities:
 - Focus on natural resource management and preserve the productivity of rural landscapes important to the community.
 - Private landowners gain economic opportunities to maintain their land in working farms, forestry, and/or wildlife uses.
 - Contributes additional cash flow on top of existing agriculture/forestry income.
- MBCI participants will receive monetary incentives from the Foundation in the form of **annual payments** for the number of years specified in the individual participant's contract.
- Participants will qualify for **technical assistance** in creating the land management plan required to qualify for the MBCI. See Technical Assistance section for details on technical assistance available to program applicants.
- Enrollment in the program will not limit enrollment into any other traditional Farm Bill or state conservation programs.

Requirements for Program Consideration

Eligible Landowners

- Private landowners, partnerships, corporations, LLCs, and other entities having legal title to the land or the legal ability to enter into contracts that place restrictions on the land.

- Someone else may submit an application on behalf of the landowner if they have proper power of attorney or other legal documentation. Such documentation must be current and provided with the application package. Example legal documentation is available at your local district office.

Eligible Land

- Property acreage must be located directly under the MTR.
- Property boundaries will be determined by deed and tax parcel information. If a parcel is part in and part out of the MTR, only acreage under the MTR is eligible for enrollment.

Present Use Value or Wildlife Conservation Program Enrollment

- Land must be enrolled in the county's Present Use Valuation taxation programs for agriculture, horticulture, or forestry, or the Wildlife Conservation Program. Throughout the rest of this document, both programs are referred to as PUV.
- If not yet enrolled, the land must be enrolled during the county's next available sign up period which typically occurs in January.
- Landowner must obtain and list the actual highest use valuation and the actual or estimated PUV value if they plan to enroll. This information can be obtained from your parcel tax card which is maintained by the county tax office.
- Landowner must provide evidence of an active land management plan in effect or agree to develop one. Land management plans may include conservation plans, forest management plans, wildlife management plans, forest stewardship plans, or other such plans that include the use and management of agriculture, forestry, or wildlife land and associated natural resources.

Necessary Documentation

- Current recorded property deed.
- Current property tax record card (also referred to as the tax parcel card).
- If signing on behalf of another person or a business, provide authorization to sign. Examples include Limited Power of Attorney, Certificate of Manager, Certificate of President and Secretary, etc. Contact your local District for approved forms for authorization to sign.
- Completed application.
- Current tax map.

- Proof of enrollment in PUV and proof of an active land management plan.

Landowner Participation Legal Implications

Title and rights to land

- The landowner retains title to the land.
- A Declaration of Restrictions, mirroring language in the landowner contract, is required to be recorded in the county Register of Deeds office by the Foundation.
- The MBCI contract is binding for the duration of the contract unless canceled by mutual consent of the landowner and the Foundation.
- Canceled contracts without due cause will require landowner to return payments received to date and potential additional liquidated damage assessment.

Length of Contract

- It is the landowner's responsibility to offer up the length of contract for which they are willing to enroll their land into the program.
- The length of the MBCI contract may be 10, 20, or 30 years depending on military priorities and selection.

Renting Land

Renting or leasing land after the MBCI contract is signed does not affect the contract as long as the land remains in agriculture, forestry, or wildlife. The land must also remain enrolled in the PUV program and be maintained in compliance with the Declaration of Restrictions.

Willing or Selling Land

- Land may be willed or sold without penalty to the seller. The recorded Declaration of Restrictions will remain for the agreed upon contract length and any new owner must comply with the restrictions.
- Landowners will notify the Foundation as soon as possible if transfer of land ownership is anticipated.
- Any new landowner can accept the existing contract held by the Foundation for the remaining term of the contract. The new landowner will have the contract placed in their name and they must adhere to the Declarations of Restrictions to receive the contract payments.

Contract Obligations

- Keep property enrolled in PUV and maintain an active land management plan.
- No construction of any new structures 100 feet above ground level.
- All exterior lighting shall only emit light at or below the horizontal plane.
- No future construction of multi-residential or commercial facilities not directly associated with the agricultural or forestry operation. This includes no construction of permitted landfills.

Contract Default

- Contract default will occur if the Foundation does any of the following:
 - Fails to meet the obligations of the Contract.
 - Enters into bankruptcy or a general assignment of property occurs for the benefit of creditors.
- Contract default will also occur if the landowner:
 - Fails to comply with any of the Landowner's Obligations under the Contract.
 - Enters into bankruptcy or a general assignment of property occurs for the benefit of creditors.
 - The Landowner's ownership or right to possess the Property is acquired by a 3rd party (including a government taking) without the 3rd party becoming bound by the Contract.
 - Property is negligently and/or intentionally damaged by the Landowner or employees/agents acting on behalf of the Landowner.

Landowner Program Obligations

Annual obligations

- Participants are obligated to permit on-site access to the contracted property by an MBCI representative for annual inspections to assure the contract specifications have been followed.
- Annual Certification Form
 - Participants are obligated to submit an annual Certification Form indicating that they remain in full compliance with the contract 30 days prior to the anniversary date of the contract.
 - Incentive payments will be made by check to participants once the Certification Form is received and accepted by the Foundation.
 - Certification Forms will be accessible on the MBCI website and will be available through the Districts.

- Participants will receive an IRS Form 1099 for the annual payments received from the Foundation in the preceding year. It is the landowner's responsibility to determine the federal and state tax implications of such payments.

Continual obligations

- The landowner is obligated to keep the property enrolled in PUV.
- Participants have an obligation to immediately report any changes in property ownership or landowner contact information to the Foundation.
- Land management and conservation decisions recorded in land management plans will be implemented and followed as close as practical for the duration of the contract.
- Technical assistance for management plans is available to participants through various agencies. See the Technical Assistance page for details.

Program Application Process

How the application process works

- The application can be **downloaded** from the Foundation website **or picked up** at your local District's office.
- Applications must be submitted to the Districts during the specified timeframe referred to as the "batching period."
- An applicant can submit one application per tax parcel or parcel identification number per batching period. Separate applications are required for additional parcels being considered for enrollment.
- Applications are certified for accuracy by the District and forwarded to the Foundation where they will be reviewed and prioritized using evaluation criteria
- MCIEAST will then make the final review in accordance with guidelines such as conservation characteristics, threat of conversion, landowner bid amount, etc and decide which applications will be accepted for contract development.

Follow-Up Steps

The Foundation may inform the applicant of **additional documentation** needed before the final review. This may include property boundary surveys, tax assessment value, title verification to property, or similar due diligence items. **The cost of such additional documentation as requested by the Foundation will be secured and paid for by the Foundation.**

Notification of Application Status

- Notification will be sent out to the person and address provided in the application.
- Acceptance initiates the contract development process.
- Applicants will be given the option of allowing the Foundation to keep their information on file for additional bid rounds.
- If the Foundation is requested to keep the information on file, for a second bid round the applicant will only need to verify that the information is still correct and submit their bid information.



Market Based Conservation Initiative (MBCI) - Military Training Route (MTR) Evaluation Point System for Working Lands

Screening Criteria

- ❖ Land offered must be under the MTR or under the Special Use Air Space
- ❖ Land must be classified as agriculture, forestry, or wildlife land and enrolled in the Present Use Valuation program (PUV) and/or Wildlife Conservation Program OR owner must agree to enroll the land.

Ranking Criteria

Conservation Characteristics	Points
Is any portion of the land under the MTR above the 100 Year Flood Plain? If Yes, 1 point	
Managed Agricultural or Forest Land in the MTR Does the landowner have a current Conservation Plan, Forest Management Plan, and/or Wildlife Plan? If Yes, 1 point	
Environmental Sensitivity Does the land have any official State or Federal designated environmental importance (e.g., wetland, presence of threatened or endangered plant or animal species, etc). If Yes, 1 point	
Voluntary Agricultural District Status (one of below)	
VAD Designation – If Yes, 1 point	
EVAD Designation – If Yes, 2 points	
Landowner Cooperative—Is offered land a part of a partnership of landowners with adjacent and directly connected land which is being offered? Must be accompanied by a letter of intent signed by all cooperating landowners. If Yes, 1 point	
Adjacent to other protected lands—Is the property adjacent to State or Federal protected land or land already enrolled in the MBCI program? If Yes, 1 point	
Total Conservation Character Points (7 maximum)	

Land Threat to Conversion Coefficient Points (~1-6 usually)	
This is the ratio between the county appraised value for land under the MTR and the Agriculture, Forest, or Wildlife Present Use Value designated by the county. If these values include land outside the MTR for a tract of land, the value for the whole land tract will be used to calculate the points.	
<u>County Appraised Property Value:</u> Present Use Value (Appraised-Deferred Tax Value):	Land Conversion Coefficient = _____

Landowner Bid and Contract Term		Points
Bid per acre	Ranked from Lowest to Highest for Each Bid Round (<i>to be completed by the Selection Committee</i>)	
Term of Contract (length in years)	30 year contract— 2 points 20 year contract— 1 point 10 year— no points	
Number of Acres under the MTR	Greater than 201 – 2 points Between 100 and 200 – 1 point Less than 100 – no points	

Ranking Criteria Score = _____
Total of Conservation Characteristic points + Land Threat to Conversion points

Technical Assistance

Technical assistance during the application process and development of conservation land management plans for participating MBCI properties is provided through the Districts. Specific agencies are best qualified for the development of certain types of plans:

- Wildlife land management plans – Wildlife Resources Commission
- Forestry land management plans – NC Forest Service, Registered Consulting Forester, and/or the Landowner. (Management plan prepared by the landowner must be by a landowner who has the appropriate forestry management and analysis skills to properly prepare a plan comparable to a plan prepared by a qualified forester.)
- The county office of the USDA Natural Resources Conservation Service also may provide assistance with the development of conservation plans.
- Contact information for all agencies providing assistance can be obtained through your local District office.

Program Key Land Management Criteria

The following information is derived from North Carolina's PUV Guidelines for Sound Management Plans.

Agriculture and Horticulture Sound Management Plan

Owners of agriculture and horticulture land must demonstrate (1) one of the following (3) three factors to meet the sound management plan criteria:

- Enrollment in and compliance with an agency-administered and approved farm management plan.
- Compliance with a set of best management practices for commercial production of agriculture or horticulture products.
- Certification by a recognized agriculture or horticulture agency within the county that the land is operated under a sound management plan.

Forestry Sound Management Plan

Key elements that must be included in a written plan for a sound forest management plan include:

- Management and Landowner Objectives Statement – Long range and short range objectives of owner(s) as appropriate.
- Location – Include a map or aerial photograph that locates the property described and also delineates each stand referenced in the “Forest Stand(s) Description/Inventory and Stand Management Recommendations” (item 3 below).
- Forest Stand(s) Description/Inventory and Stand Management Recommendations - Include a detailed description of various stands within the forestry unit. Each stand description should detail acreage, species, age, size (tree diameter, basal area and heights), condition (quality and vigor), topography, soils and site index productivity, health, and vigor must be included with the proposed timetable for implementation.
- Regeneration-Harvest Methods and Dates – For each stand, establish a target timetable for harvest of crop trees, specifying the type of regeneration-harvest (clear cut, seed-tree, shelterwood, or selection regeneration systems as applicable).
- Regeneration Technique – should include a sound proposed regeneration plan for each stand when harvest of final crop trees is done. Specify intent to naturally regenerate or plant trees.

Wildlife Conservation Program Sound Management Plan

- The land must be managed under a written wildlife habitat conservation agreement with the North Carolina Wildlife Resources Commission (NCWRC) and the plan must be in effect as of January 1 of the year for which qualification for this program is claimed. Additionally, the owner must do one of the following:
 - Protected an animal species that lives on the land and that is on a North Carolina protected animal list published by the NCWRC.
 - Conserve any one of the following priority animal wildlife habitats: Longleaf pine forest, early successional habitat, small wetland community, stream and riparian zone, rock outcrop, bat cave.

Useful Contacts

Local Soil & Water Conservation Districts

Also refer to <http://www.ncagr.gov/SWC/findyourdistrict.html>

County	Phone	Address
Beaufort	252.946.4989	Agriculture Building - 155 C Airport Road, Washington NC 27889
Bertie	252.794.5305	County Office Building - P.O. Box 566 - Room 211, Windsor NC 27983-0566
Carteret	252.222.6360	303 College Circle, Morehead City NC 28557
Craven	252.637.2547	302 Industrial Drive, New Bern NC 28562
Duplin	910.296.2120	165 Agriculture Drive - Suite B, Kenansville NC 28349-9058
Edgecombe	252.641.7900	P.O. Box 10, 201 Saint Andrew Street, Tarboro NC 27886
Franklin	919.496.3137	101 S Bickett Boulevard - Suite B, Louisburg NC 27549
Halifax, Fishing Creek	252.583.3481	P.O. Box 8, Halifax NC 27839-0008
Harnett	910.893.7584	P.O. Box 267, Lillington NC 27546
Johnston	919.934.7156 x 3	2736 NC Highway 210, Smithfield NC 27577
Jones	252.448.2731	P.O. Box 40 Market Street, Trenton NC 28585
Lenoir	252.523.7010	Federal Building - 2026 NC Highway 11-55, Kinston NC 28501
Martin	252.792.4350	104 Kehukee Park Road, Williamston NC 27892-9596
Nash	252.459.4116 x 3	Room 107 Ag Center Drive, Nashville NC 27856-1750
Onslow	910.937.1306	Onslow County Multipurpose Complex, 4028 Richlands Highway, Jacksonville NC 28540
Pamlico	252.745.4303	P.O. Box 305, Bayboro NC 28515
Sampson	910.592.7963 x 3	84 County Complex Road, Clinton NC 28328
Wake	919.250.1050	Wake County Office Park, 4001-D Carya Drive, Raleigh NC 27610-2921

North Carolina Foundation for Soil & Water Conservation:

5171 Glenwood Ave, Suite 330 Raleigh NC 27612, Office (919) 510-4599

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North Carolina Association of Soil & Water Conservation Districts:

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