

Supplemental Environmental Project

Acquisition of Big Tree Ranch Aransas County, Texas



Submitted to:
Attorney General's Office of Texas

Submitted by:
Robert Sweeney, Ted Hollingsworth and Kendal Keyes
Texas Parks and Wildlife Department



MEMORANDUM

To: Jon Niermann, Assistant Attorney General
Thomas Edwards, Assistant Attorney General

From: Robert Sweeney, Staff Attorney, Texas Parks and Wildlife Department

Re: Texas Parks and Wildlife Department "Big Tree Ranch" Supplemental
Environmental Project Proposal

Date: December 29, 2011

Please see enclosed a proposal by the Texas Parks and Wildlife Department (TPWD) for funding for the acquisition of Big Tree Ranch in Aransas County. This acquisition would help Texas conserve one of its greatest natural treasures, the endangered Whooping Crane, and would help protect the resources of the Texas coast for the benefit of future generations.

The appraised value of the Big Tree Ranch is approximately \$1.85 million, and an additional \$50,000 will likely be needed for transactional costs, for a total of \$1.9 million. Of this amount, the Texas Nature Conservancy has agreed to contribute up to \$1.2 million, leaving TPWD to fund the remaining \$700,000. Please note that the current owners of Big Tree Ranch have not yet agreed on a sale price or other conditions of sale.

For further information, please contact:

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Enclosure



Supplemental Environmental Project

Acquisition of Big Tree Ranch Aransas County, Texas

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1. Proposal

Acquisition of Big Tree Ranch, Aransas County, Texas

Introduction

Texas Parks and Wildlife Department (TPWD) has been working with The Nature Conservancy (TNC) for a number of months to identify potential sources of funding for acquisition of the Big Tree Ranch in Aransas County, Texas. The approximately 80 acre tract has extremely high conservation and recreation value, especially as habitat for the endangered Whooping Crane (*Grus americana*) and for public viewing of the crane. The entire tract is designated Whooping Crane critical habitat by the U.S. Fish and Wildlife Service (USFWS). The property was recently appraised at \$1.85 million, and TNC has earmarked substantial funds towards the purchase. If purchased, the ranch would be transferred to TPWD to be operated and managed as part of the adjacent 330-acre Goose Island State Park (GISP)

http://www.tpwd.state.tx.us/spdest/findadest/parks/goose_island/. The property is currently on the market. If privately sold, there is a real possibility the tract would be subdivided into small residential lots resulting in development that would be detrimental to the cranes and to public enjoyment of the state park. TPWD seeks funding necessary to complete this acquisition.

Project Description/Scope of Work

The entire Big Tree Ranch property is located in Aransas County on the central Texas coast. More specifically, the property is located on the Lamar Peninsula adjacent to St. Charles Bay, a secondary bay of Aransas Bay. The property has approximately 1,600 feet of frontage on the bay and a 1500 foot long private canal that opens into the bay. Big Tree Ranch is sandwiched between GISP, the Aransas National Wildlife Refuge (ANWR) <http://www.fws.gov/southwest/refuges/texas/aransas/index.html>, and the Johnson tract. The property includes live oak-red bay woodlands (*Quercus virginiana/Persea borbonia*), coastal prairie, and wetlands.

GISP is a 330-acre State Park located on the outskirts of Rockport, Texas, in Aransas County, at the confluence of St. Charles and Aransas Bays. The park includes 140-acre Goose Island, and another 190 acres on the mainland. The mainland portion of the park includes a 5,000 foot long strip of land along State Park Road 13 (Palmetto St.) leading to the Big Tree tract, a six acre tract of land on which stands the “Big Tree”, a coastal live oak which is former state champion and national co-champion live oak. This tract and the tree are part of GISP, owned and managed by TPWD. The Park was acquired by donation between 1931 and 1935 to provide bay front and water-dependent recreational opportunities to visitors and access to St. Charles, Copano and Aransas Bays. Initial development was undertaken by the Civilian Conservation Corps.

The Lamar Unit of ANWR and the Johnson tract are adjacent to Big Tree Ranch to the north. ANWR is comprised of over 115,000 acres of resting, feeding, wintering, and nesting grounds for migratory birds and native Texas wildlife. ANWR is managed by USFWS and is composed of the Blackjack Peninsula, Matagorda Island, Myrtle Foster Whitmire, Tatton, and Lamar Units.

The Refuge provides critical wintering habitat for the State and Federally endangered population of Aransas-Wood Buffalo Whooping Cranes.

Legal Rights to be Acquired

Title for the property is currently held by Rock-N-Riviera VII, Ltd. The property was acquired for development as a water-front, canal subdivision and has been platted. There is no zoning associated with the property which is advertised as providing great opportunity for “waterfront, residential development” on Lamar Peninsula. Five residential structures in varying conditions, an old runway, and associated outbuildings are also located on the property. No environmental remediation has occurred or is necessary to TPWD’s knowledge. TPWD proposes to acquire fee simple ownership. The owners and their broker have indicated their willingness to sell if funds are obtained.

Natural Resources

Big Tree Ranch is comprised of approximately 22 acres of live oak-red bay woodland, approximately 52 acres of coastal prairie, several freshwater wetlands totaling approximately 2 acres, a 4 acre (approx. 1,500’ x 100’) saltwater canal with a fringe of oysters opening to St. Charles Bay, and approximately 2 acres of salt marsh and sand flats along the shoreline and the northeast section of the property. Offshore open water supports submergent vegetation. The elevation of Big Tree Ranch ranges from sea level to approximately 17 feet above mean sea level. The subject area is included in the Gulf Coast Prairies and Marshes Ecoregion, as described by TNC, and is also part of the Central and South Texas Coastal Fringe Forest and Woodland, as defined by NatureServe.

Live oak-red bay woodlands, such as at the subject tract, provide important habitat for neotropical migrants. These areas along the coast provide critically important “fall-out areas” for migrating songbirds particularly during spring migration when, exhausted from their flights across or around the Gulf of Mexico, migrants flock to wooded areas to rest and refuel. The City of Rockport regularly boasts one of the highest numbers of birds (species) counted in the nation during the annual Christmas Bird Count sponsored by the National Audubon Society. Live oak-red bay woodlands also serve as wind breaks, trapping and stabilizing soil and reducing erosion. Live oak-red bay woodland and coastal prairie habitats provide an important source of food, cover, and dens for mammals, reptiles, amphibians, and birds such as the Eastern Meadowlark (*Sturnella magna*), Northern Harrier (*Circus cyaneus*), and Black-shouldered Kite (*Elanus caeruleus majusculus*). Furthermore, upland habitat adjacent to the shoreline provides an area for wetland migration in response to relative sea-level rise (including both subsidence and eustatic sea-level rise). Both live oak-red bay and coastal prairie habitat are rapidly declining along the Texas coast due to conversion to agriculture and residential development. Less than 1% of coastal prairie remains and live oak-red bay habitat on the Lamar Peninsula is rapidly disappearing.

Salt marsh, oysters, and unvegetated sand flats exist along the shoreline and shallow open water and seagrasses are found in the near-shore environment. Emergent salt marsh vegetation such as

the smooth cordgrass (*Spartina alterniflora*) found at the project site provides critically important nursery habitat for commercial and recreational fisheries and offers high quality nursery, foraging, and cover habitats to finfish, invertebrates, shore birds, and wading birds. Emergent vegetation also provides excellent water quality services to the adjacent bay by filtering contaminants such as nutrients and bacteria and reducing sediment in runoff. In addition, this habitat type slows water velocity and reduces wave energy, protecting property from storms and high tides. Oysters, which line the edges of the canal, are commercially and recreationally important shellfish. Oyster reefs and other hard substrate that support oysters provide habitat for additional estuarine aquatic species. They also support flora that soft bay bottoms do not, and provide hiding places for young fish and other aquatic organisms to escape from predators.

Seagrass beds are also found offshore from the subject tract. They provide extremely important nursery habitat for commercially and recreationally important finfish and shellfish. Seagrasses also provide direct food sources for fish, sea turtles, and waterfowl. These submerged aquatic plants play a vital role in the nutrient cycling within the bay system because they are major contributors of organic matter to the food web.

Federal and state threatened or endangered animals known or likely to occur at Big Tree Ranch include Whooping Crane; Wood Stork (*Mycteria americana*); American Peregrine Falcon (*Falco peregrinus anatum*); Piping Plover (*Charadrius melodus*); Reddish Egret (*Egretta rufescens*); Snowy Plover (*Charadrius alexandrinus tenuirostris*); Sooty Tern (*Sterna fuscata*); Western Snowy Plover (*Charadrius alexandrinus nivosus*); White-faced Ibis (*Plegadis chihi*); White-tailed Hawk (*Buteo albicaudatus*); Green Sea turtle (*Chelonia mydas*); Kemp's Ridley sea turtle (*Lepidochelys kempii*); Texas Diamondback terrapin (*Malaclemys terrapin littoralis*); and Gulf Marsh snake (*Neroida clarkia*).

If purchased, this property will provide additional conservation in an area that has been noted for its ecological importance by numerous agencies and plans (see below for specific plans). Acquisition of the Big Tree Ranch will result in a corridor of significant conservation, ecological, recreational and aesthetic value that connects protected lands between the southern portion of Lamar Peninsula and ANWR to the north. The corridor would extend from GISP at the southern tip of the Lamar Peninsula, up through the peninsula to the "Big Tree," across the Big Tree Ranch, to the Johnson property (under conservation easement) and the Lamar Unit of the ANWR.

Acquisition and conservation of this habitat will protect critical habitat currently used by the recovering population of Whooping Cranes. The Whooping Crane population breeds in Wood Buffalo National Park in Canada and both adults and juveniles migrate south to ANWR for the winter. They forage in both wetland and upland habitats feeding on blue crabs (*Callinectes sapidus*), various mollusks, the wolfberry (*Lycium carolinianum*) plant, as well as acorns, snails, crayfish, and insects. Most foraging occurs in the bays and marshes between Blackjack Peninsula and the Lamar Peninsula. Shallow open water habitat adjacent to the subject tract and upland habitat adjacent to the south are frequently used as foraging habitat by the Whooping Crane. These particular locations are highly visible and attract many birders.

Current habitat use by wintering populations of Whooping Cranes on the Texas coast is well documented. ANWR is only a portion of the area currently used and needed by the cranes in order to ensure long-term survival. During winter months, cranes are often sighted on the Lamar Peninsula mainland in upland habitat, frequently in pastures, and at cattle and deer feeders. Wintering cranes have also been observed using the marshes and upland habitats at and around GISP.

Studies of Whooping Crane range expansion clearly call for additional habitat protection as the crane population grows. In the third revision of the USFWS International Recovery Plan for the Whooping Crane, important objectives are identified relative to insuring long-term survival of wintering cranes considering increasing threats to the population due to human population growth and land development. As stated in the plan, "*uncertainty remains concerning possible long-term declines in ecosystems used by the cranes as a consequence of expanding human populations and their demands for fresh water, housing, recreation, agricultural production, and industrial products.*"

The purchase of Big Tree Ranch is an example of a conservation effort that could help decrease the threats associated with future development and allow the cranes to expand their range. Acquisition of the property would also provide a buffer between other developed sites and habitat currently used by Whooping Cranes.

Regional Conservation Plans

According to the *Texas Coastal and Estuarine Land Conservation Program Plan*, the entire subject property is situated within the Texas CELCP boundary (TxCELCP Plan, pp. 5). Acquisition of this property directly addresses the TxCELCP Plan goals and objectives of protecting coastal wetlands (salt marsh), coastal prairies, and live oak-red bay forests (TxCELCP Plan, pp. 8-14). This property supports the Plan's goal of preserving habitat for several rare, threatened, and endangered species (TxCELCP Plan, pp. 13). The proposed acquisition project also directly supports the *Final Texas NERR Management Plan* of the Mission-Aransas National Estuarine Research Reserve (NERR). The Reserve's Plan targets the acquisition of property located on the shoreline of St. Charles Bay. Big Tree Ranch fulfills this requirement and is also located directly adjacent to the Mission-Aransas NERR boundary. The proposed project is consistent with the goals identified in the *Texas Coastal Management Program: Final Environmental Impact Statement*. It supports the number one goal of the Texas Coastal Management Program which is protecting, preserving, restoring, and enhancing the diversity, quality, quantity, functions, and values of Coastal Natural Resource Areas, such as coastal wetlands.

The proposed acquisition project is consistent with the Texas Parks and Wildlife Department's mission of protecting natural and cultural resources while providing sustainable recreational use, and with TPWD's *Land and Water Resources Conservation and Recreation Plan*. Strategies and goals identified in the Plan include expansion of existing state parks, especially those that are heavily visited and near population centers, and which have high conservation values, and taking measures to assist in the restoration, conservation and recovery of rare species, species in decline and species of concern.

Additional benefits

As land use within the watershed continues to change and native prairies and wetlands are converted to developed lands, the potential for water quality conditions in Aransas Bay to deteriorate is high. The loss of coastal wetlands and their ability to absorb stormwater and filter debris and chemicals from runoff could result in dramatic effects to the bay such as eutrophication, algal blooms, light attenuation due to sedimentation, and elevated levels of toxins. Any one of these water quality problems could affect the ability of Aransas Bay to support a productive and diverse estuary. For this reason, coastal areas such as Big Tree Ranch that contain valuable native vegetation and wetlands are important for maintaining the current water quality conditions that make St. Charles and Aransas Bays such important ecological systems.

Threats

Aransas County is currently experiencing rapid population growth due to its attractive and healthy environment. From 1990 to 2000, the population of Aransas County increased by 26% and estimates for the 2008 population suggest an additional 11% increase over the 2000 values (U.S. Census Bureau). Properties such as Big Tree Ranch that are located outside of the jurisdiction of local municipalities are not subject to zoning regulations. Large-scale residential development projects, including canal subdivisions, have become common place and are expected to continue in the future. Within the past three years at least eight large-scale water-front canal and traditional residential housing developments have been proposed or granted permits within or adjacent to wintering habitat for Whooping Cranes.

Recreation

TPWD will provide public access to the acquired property and manage it as a part of GISP. A viewing tower could provide excellent opportunities to see Whooping Cranes using the habitats on and adjacent to the property. TPWD will develop walking paths and install interpretive signage on the subject tract providing recreational and environmental education opportunities. A Resource Management Plan will be developed and will include compatible recreational uses such as fishing, hiking and birding. Only uses compatible with both the conservation goals and recreational goals would be approved and implemented.

Big Tree Ranch itself is easily accessible by Twelfth Street, located on the southern boundary of the property and well maintained by the Texas Department of Transportation. There are also two roads located on the property which could, upon development of a Public Use Plan, provide future public access to the interior portions of the property.

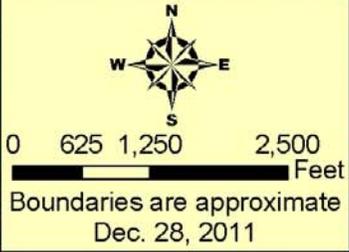
Project Readiness

TNC has been working with the broker of this tract for a number of months. The sellers are well aware of TPWD's interest in acquisition. Authority for acquisition of land is granted to TPWD through §13.002 of the Parks and Wildlife Code. TNC/TPWD is currently working through the

broker to obtain a Letter of Intent to sell at appraised value, although one of the owners is out of the country until January 10, 2012. The tract has not been owned long by the sellers, and therefore surveys and title work are relatively current. TNC has recently received an appraisal prepared by a well respected real estate appraiser. Mineral deed work, Phase I work, and any additional due diligence can be initiated and completed on relatively short notice. As a donation, the acquisition could be presented to the Texas Parks and Wildlife Commission for action (authority to close) as early as March 29, 2012.

2. Maps and Photos

Goose Island State Park and Big Tree Ranch



Legend

-  State Park Boundary
-  Big Tree Ranch Boundary
-  Whooping Crane Critical Habitat

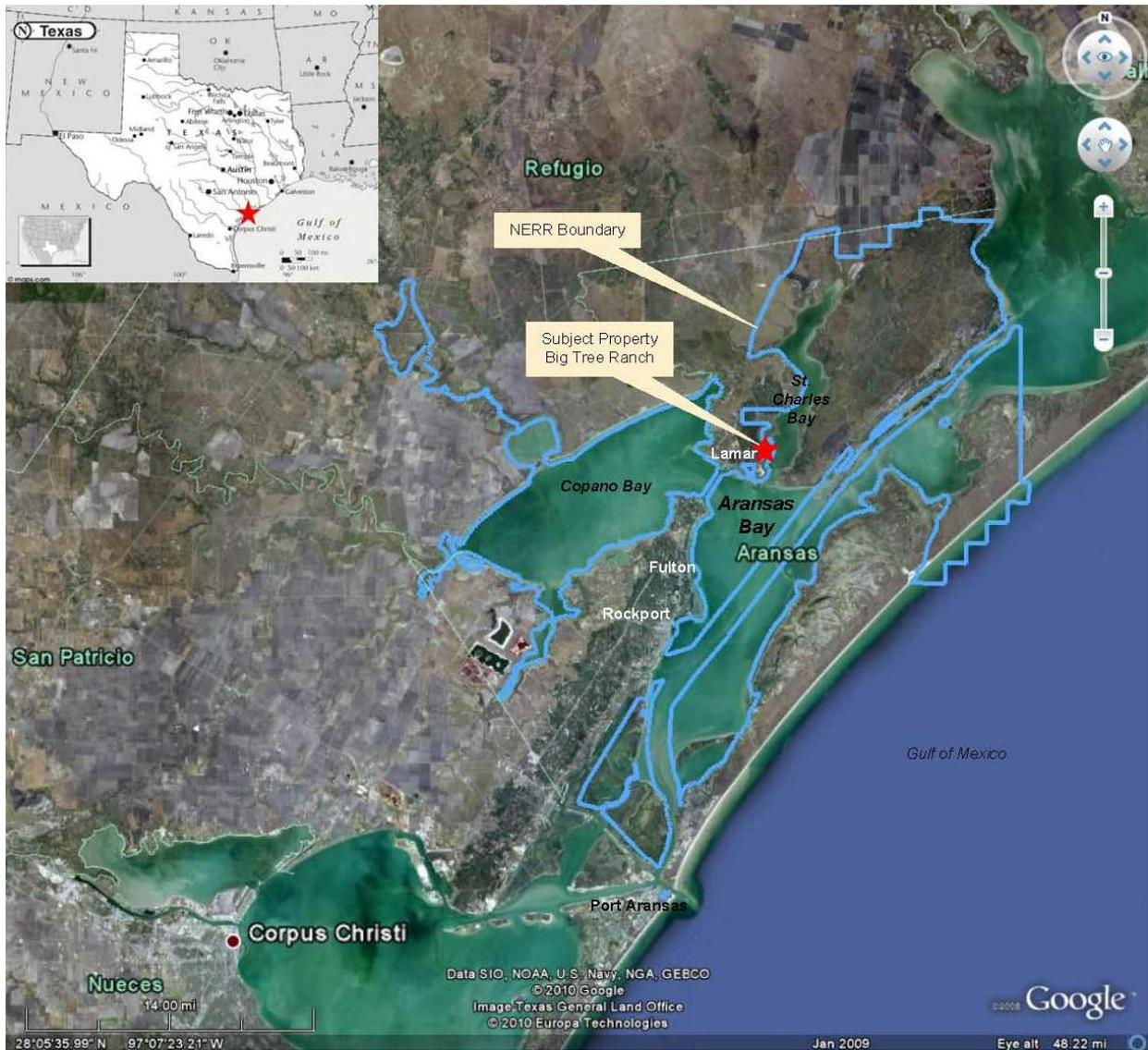


Figure 1: Aerial photo map showing the United States, State of Texas, NERR Boundary, the Subject Property and vicinity.

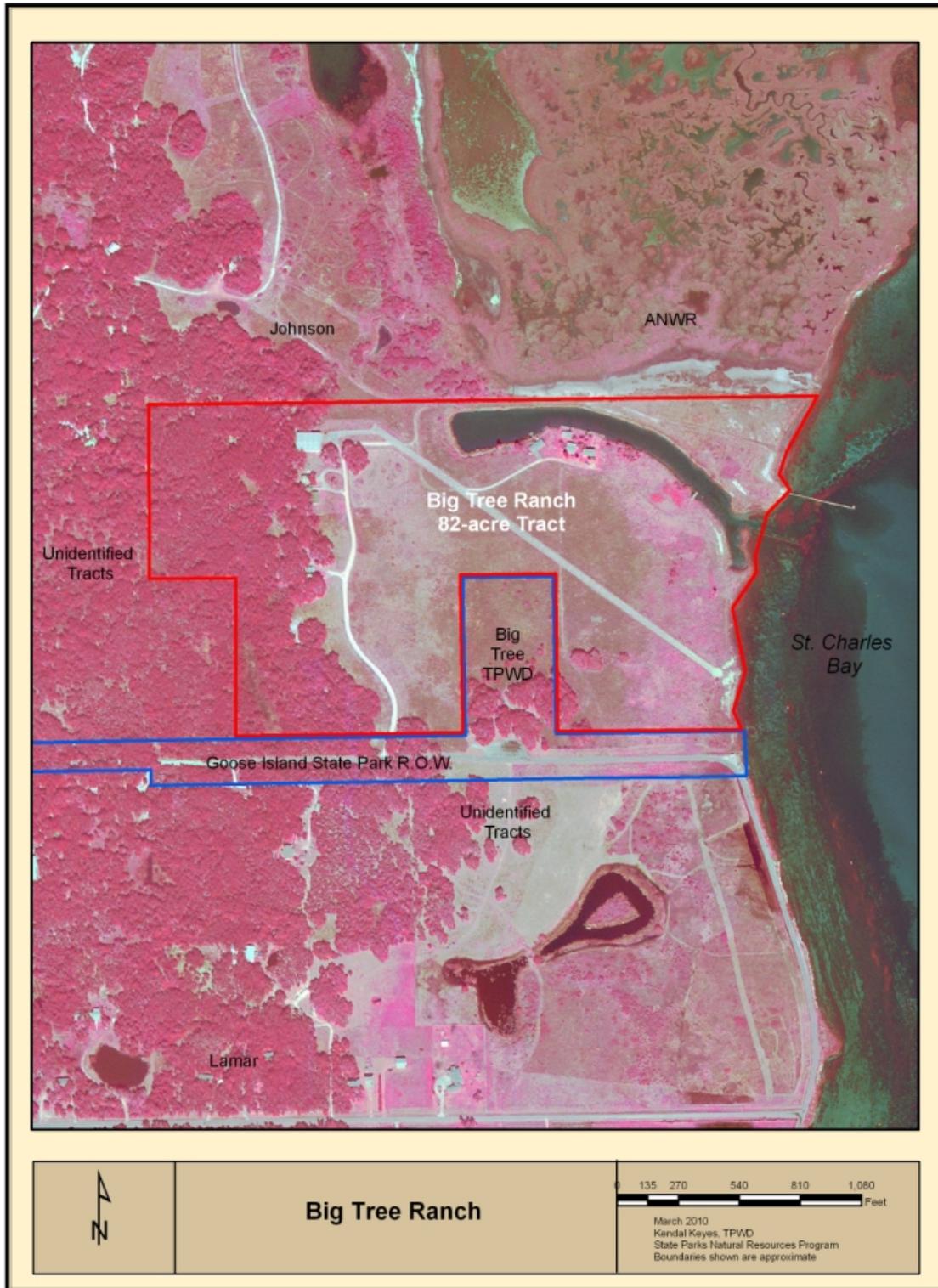


Figure 2: Aerial photo map showing location and physical features of subject tract, Big Tree Ranch, surrounding properties, and St. Charles Bay.



Figure 3: Photograph from Big Tree Ranch to southwest showing coastal prairie habitat in foreground and live oak/red bay woodlands in background.



Figure 4: Photograph showing live oak/red bay woodland habitat at Big Tree Ranch.



Figure 5: Photograph showing oysters and marsh vegetation in canal at Big Tree Ranch.



Figure 6: Photograph showing shoreline of Big Tree Ranch. Photo shows salt marsh vegetation, coastal sand flats, and shallow open water. Derelict pier pilings are present and four Whooping cranes can be seen foraging. Photo taken March 25, 2010.



Figure 7: Photograph showing structures at Big Tree Ranch.



Figure 8: Photograph showing metal airplane hangar at Big Tree Ranch.



Figure 9: Photograph showing three residential structures at Big Tree Ranch.



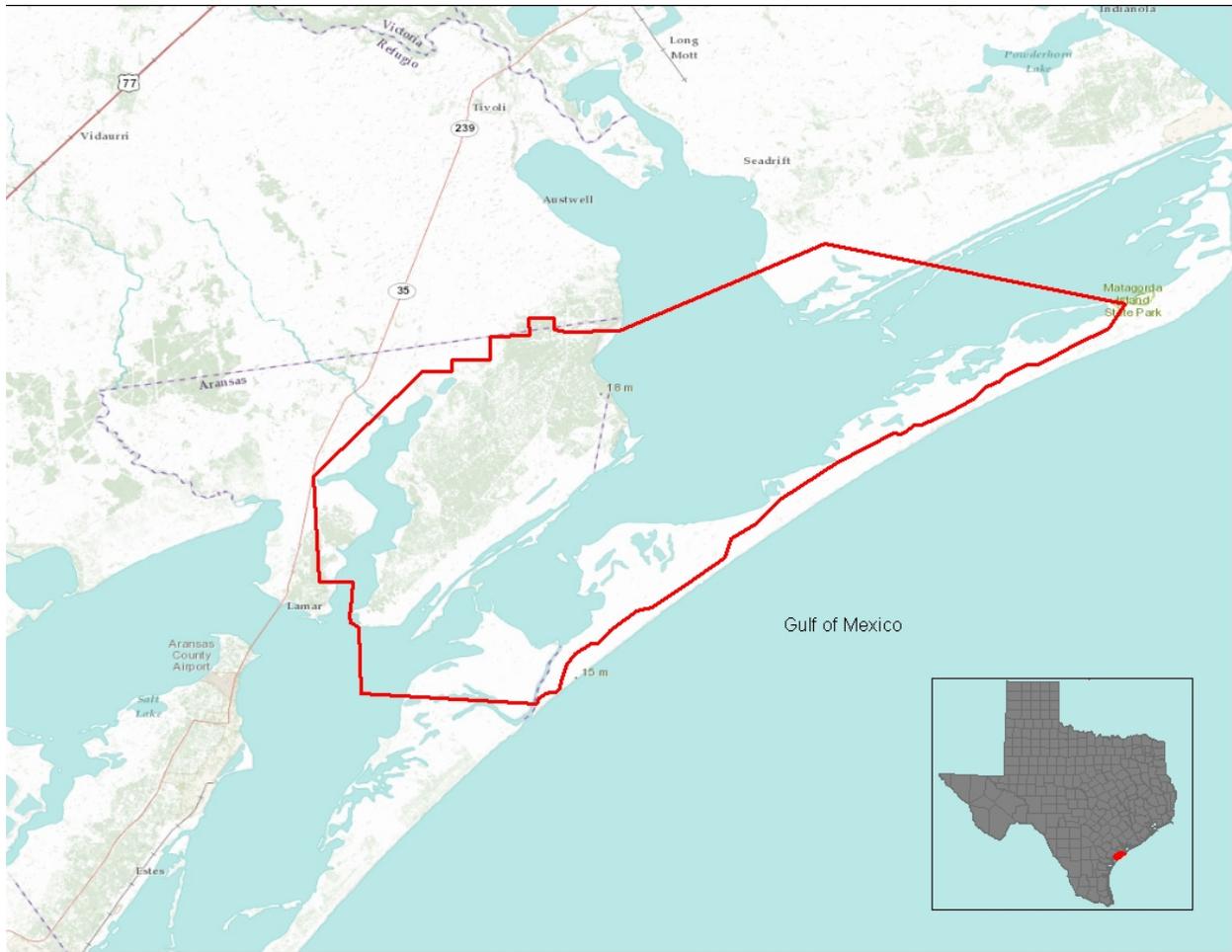
Figure 10: Photograph showing pasture adjacent to Big Tree, Whooping cranes in the foreground to the left, and birders parked behind watching and photographing the birds. St. Charles Bay is in the background.



Figure 11: Photograph showing Whooping cranes foraging in St. Charles Bay at mouth of canal at shoreline of Big Tree Ranch.



Figure 12: Photograph showing The Big Tree, at Goose Island State Park. The subject tract, proposed for residential development, is in the background.



Whooping Crane Critical Habitat in Texas

3. Appraisal Report

**SELF-CONTAINED
APPRAISAL REPORT OF:**

Big Tree Ranch, 78.1 Acres
(Rock-N-Riviera VII Ltd. ownership)
North Side of State Park Road No. 13 and
Surrounding State of Texas Big Tree Park,
On St. Charles Bay, Lamar Peninsula,
Aransas County, Texas

FOR:

Mr. Jeff Francell
Director of Protection
The Nature Conservancy
318 Congress Avenue
Austin, Texas 78701

Effective Date of Value: October 28, 2011

BY:

James J. Jeffries, MAI, ARA
Real Estate Appraiser & Consultant
404 West 9th Street
Suite 101B
Georgetown, Texas 78626

November 23, 2011

Mr. Jeff Francell
Director of Protection
The Nature Conservancy
318 Congress Avenue
Austin, Texas 78701

RE: Big Tree Ranch, Park Road
No. 13, Aransas County

Dear Mr. Francell:

Pursuant to your request for appraisal, an inspection has been made of the above referenced property for the purpose of estimating its market value. As I understand the situation, The Nature Conservancy and its beneficiaries the U.S. Fish and Wildlife Service and the Texas Parks and Wildlife Department propose to purchase Big Tree Ranch. Since the funding for the proposed acquisition is, in part, a federal grant, the appraisal is to be prepared under the guidelines of the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA).

In my opinion, the Market Value of the 78.1 acre Big Tree Ranch, as of the date of the last field viewing, October 28, 2011, was:

FINAL MARKET VALUE ESTIMATE

ONE MILLION EIGHT HUNDRED FORTY NINE THOUSAND (1,849,000) DOLLARS

As presented in the Uniform Appraisal Standards for Federal Land Acquisitions, 2000 edition, prepared by the Interagency Land Acquisition Conference, page 14, Market Value is defined as:

"Market value is the amount in cash, or terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal."

Section A-9 of the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) provides that the appraiser shall not link their estimates of market value for federal land acquisition purposes, to a specific exposure time. Then, the important phrase for valuation work performed under the UASFLA guidelines is "reasonable exposure time".

Mr. Jeff Francell
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November 23, 2011

The property has been appraised as a whole, owned in fee simple estate, subject only to known outstanding rights and reservations; without consideration to present mortgage indebtedness, if any, or matters of a legal nature, and without benefit of a current legal description and without benefit of a current title report on the ownership.

This appraisal report has been made in accordance with the principles and the regulations of the Appraisal Institute. It is further intended to be in conformance with the Uniform Standards of Professional Practice adopted by the Appraisal Standards Board of the Appraisal Foundation. Finally, to the best of the appraiser's ability, this valuation and the written appraisal report has been prepared under the guidelines of the Uniform Appraisal Standards for Federal Land Acquisition.

I certify that I have no present or contemplated future interest in the appraised property, and that my compensation is not contingent upon the result of the appraisal.

Thank you for the privilege of serving you in this matter.

Respectfully submitted,

James J. Jeffries, MAI, ARA
State Certified No. TX-1320825-G

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4. Survey

