



Natural
Resources
Conservation
Service

September 21, 2016

Subject: LTP-Easement Compensation Procedure for fiscal year 2017 Wetland Reserve Easement (WRE) Enrollments

TO: Easement Program Division

For fiscal year (FY) 2017 NRCS Wyoming is proposing that the GARC be similar to the previous two years, but different from years prior to FY2015. It will not be based on the Area Wide Market Analysis (AWMA) of the land uses and geographic areas. Rather, it will be a percentage of the Fair Market Value (FMV) as determined by a USPAP appraisal and will include a not-to-exceed dollar value.

The reason for the proposal to use USPAP appraisals instead of the AWMA to determine FMV:

1. Wyoming has limited WRE enrollment
2. Areas within Wyoming have limited WRE enrollment
3. Wyoming has areas with significant complexity that do not allow for a more general evaluation—for example, property by property value differences due to water rights or extreme variability in values over a small area due to development pressure

Below is the proposed FY 2017 Geographic Area Rate Caps (GARCs) for Wyoming:

The GARC will be 85% of the FMV not to exceed \$5,000/ac. In the event there is potential for providing the habitat needs of state species of concern. Justification for exceeding \$5,000/ac is described below.

It is proposed that the GARC be set at not to exceed \$5,000/ac for all enrollment types. The exception to the \$5,000/ac GARC will be in the event there is an enrollment with a high likelihood of successful restoration that will provide habitat needs for state listed species of concern. The NRCS will be responsible for making the determination of high likelihood of successful restoration. The GARC will be 85% of the FMV not to exceed 5,000/ac in the event there is potential for providing the habitat needs of these state listed species.

It is further proposed that compensation for 30-yr easements, 30-yr tribal land use contracts and WRE-reserved rights* easements be set at 75% of the GARC for permanent easements.

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*Reserved Grazing Rights easements will be compensated at 75% of the full GARC for permanent easements and 75% of the 30-yr easement (.75 x .75 = .56), which is 56% of the full GARC. This accounts for the additional retained grazing value to the landowner.

Example:

| Appraised Fair Market Value (FMV) | GARC | Permanent Easement | 30 Year and Reserved Rights Easements (75% of GARC=63.75%) | 30 Year Reserved Rights Easement (75% of GARC=63.75% * 75%=47.813%) |
|-----------------------------------|---------|--------------------|--|---|
| \$100,000 | 85% FMV | \$85,000 | \$63,750 | \$47,812.5 |

Sources and considerations:

- Neighboring states, South Dakota and Montana, are proposing the 95% FMV GARC for FY 17. Idaho and Utah are proposing the 85% FMV GARC and Colorado is proposing the 80% FMV GARC.
- Wyoming State Technical Advisory Committee (STAC) support for 85% FMV GARC for FY17. Wyoming STAC is supportive of NRCS increasing the value of WRE's in WY based on the highly varied real estate market in the state and considering paying more for areas with T & E species. These proposed changes will hopefully result in more acres being enrolled in the WRE program in Wyoming.

Over \$5,000/acre GARC justification:

Wyoming NRCS proposes to exceed the \$5,000/ac GARC when there is a high likelihood to restore habitat for state listed species of concern. Based on historic Area Wide Market Analysis and recent real estate information, it is anticipated that the GARC in some counties could exceed \$5,000 and the GARC should be increased for the following reason:

- **State Species of Concern**
NRCS will determine in consultation with U.S. Fish and Wildlife Service and state partners if the project has a high likelihood for restoration of critical habitat for state listed species of concern. If the proposed easement could benefit the species then we are proposing to exceed the \$5,000 per acre rate cap. For example, Trumpeter Swans are listed as state species of concern and in areas of the state where land values have increased due to developmental pressure, exceeding the cap would allow NRCS to enroll critical habitat into the program.

Thank you for consideration of Wyoming's FY 2017 GARCs. Please contact Ben Bigalke at 307-233-6788 or benjamin.bigalke@wy.usda.gov with any questions.

Sincerely,

Astrid Martinez
State Conservationist

Attached:

State Conservationist certification sheet
Spreadsheet showing WY and adjacent state's GARC's

FY 2017
Wyoming NRCS ACEP-WRE Ranking and Eligibility Worksheet

| | |
|---------------------------------|----------------------------|
| Project Name: _____ | Total Ranking Score: _____ |
| Owner: _____ | County: _____ |
| Date of Field Evaluation: _____ | |
| Ranking Team: NRCS: _____ | FWS: _____ |
| WGFD: _____ | |
| Other(s): _____ | |

| Summary of Ranking Score | | |
|------------------------------------|----------------|-----------------|
| Ranking Factor | Maximum Points | Points Received |
| I. Environmental Benefits | 140 | |
| II. Economic Considerations | 40 | |
| III. Special Considerations | 30 | |
| Total Points | 210 | |

| General Criteria | Yes/No |
|--|-----------------------------|
| 1. Private land or land owned by Indian Tribes? | |
| 2. Is the eligible and adjacent land configured in a size with boundaries that allow for the efficient management of the area for program purposes and otherwise promote and enhance program objectives? (Attach supporting documentation) | |
| 3. Are there any on-site or off-site conditions that would either impede complete restoration or prevent wetland functions and values from being fully restored? 440 CPM 528.106 B. 5. If yes, then land is not eligible. (Attach supporting documentation) | |
| 4. Is there an adequate access route acceptable to NRCS? If no, the land is not eligible. (Attach AGENCY STATEMENT OF ACCESS RIGHTS) | |
| 5. Can wetland functions and values be successfully restored when considering the cost of acquiring the easement and the cost of the restoration, protection, enhancement, maintenance and management? If no, land is not restorable and not eligible. (Attach supporting documentation) | |
| Soils and Land Use Criteria | |
| Eligible land that maximizes wildlife benefits and wetland functions and values, such land is Farmed Wetland or Converted Wetland (Attach soils map) as identified below: | |
| Restorable Eligible Acres | Contributing Adjacent Acres |
| 1. Wetlands farmed under natural conditions, farmed wetlands, prior converted cropland, commenced conversion wetlands, and farmed wetland pastures as defined by NFSAM. 440 CPM 528.105 (2)(i) | 0 |
| 2. Former or degraded wetlands that occur on lands that have been used or are currently being used for the production of food and fiber. 440 CPM 528.105 (2)(ii) | 0 |
| 3. Lands substantially altered by flooding so as to develop wetland functions | 0 |

| | | |
|--|---|---|
| and values. 440 CPM 528.105 (2)(iii) | | |
| Other Eligible lands | | |
| 1. Riparian Areas that establish a link to other protected wetlands. CPM 440 528.105 E | 0 | |
| 2. Lands in the Conservation Reserve Program (CRP). 440 CM 528.105 F | 0 | |
| 3. Lands restored under a local, state or federal program. 440 CPM 528.105 G | 0 | |
| 4. Hydric soil minor components (inclusions) and problematic hydric soils (non-typical situations). 440 CPM 528.105 H | 0 | |
| Adjacent lands that will contribute significantly to the wetland functions and values or practical administration of the enrolled area. 440 CPM 528.105 I | | |
| 1. Upland buffer and associated areas | | 0 |
| 2. Created Wetlands | | 0 |
| 3. Restored non-agriculture wetlands | | 0 |
| 4. Artificial wetlands | | 0 |
| 5. Natural wetlands | | 0 |
| Total Acres | 0 | 0 |
| Total Enrolled Acres | 0 | |

| I. Environmental Benefits | |
|--|----------------------|
| A. Original Hydrology Restoration | |
| I.A1. Percentage of Wetland Acres Altered (Present Condition) Use CWD or wetland inventory (with input from Resource Soil Scientist or Wetland Technical Team) to estimate the degree of departure from original hydrology. Choose the category representing the majority of the eligible acres that will have hydrology restored. | 30 points max |
| Original wetland hydrology significantly degraded or modified. For example, functional ditches, dikes, diversions, and tiles that are affecting the historic hydrology regime greater than 50% of the wetland acres. | 30 points |
| Original wetland hydrology moderately degraded or modified; or original wetland hydrology previously restored. For example, functional (or partially functional) ditches, dikes, diversions, and tiles affecting 25-50 % of the wetland acres. | 15 points |
| Original wetland hydrology relatively unmodified, less than 25% of wetland acres are manipulated or degraded. | 5 points |
| I.A2. Extent of Hydrology Restoration Relative to Historic Conditions (Expected Future Condition) Percent of the <u>Wetland Acres and hydric soils on Other Eligible Acres</u> on which the hydrology will be restored to historic conditions : | 25 points max |
| 90-100% | 25 points |
| 75-89% | 10 points |
| 50-74% | 5 points |
| <49% | 0 points |

| B. Wetland Functions and Values | |
|--|----------------------|
| I.B1. Habitat for At-Risk Species | 20 points max |
| a) Project will provide habitat and address limiting needs for State Sensitive Species or Federally listed Threatened, Endangered, or candidate species? WRPO must incorporate the habitat needs of these species if credit claimed. <i>List species or attach documentation:</i> | 20 points |
| b) Project will not provide habitat and address limiting needs for a State Sensitive Species or Federally listed Threatened, Endangered or Candidate Species. <i>List species or attach documentation:</i> | 0 points |
| I.B2. Floodwater Attenuation | 10 points max |
| Is the project located within a 100-year floodplain that has hydrologic connectivity to a watercourse? For example, not separated by a levee or dike. | |
| Yes | 10 points |
| No | 0 points |
| I.B3. Vegetation | 20 points max |
| Percent of the total easement area that will result in a predominance of historic native vegetation after restoration. Acreage includes existing vegetation in "Other Eligible Acres", as well as those areas planted, seeded or allowed to naturally re-vegetate. | |
| 90% or more of the site will return to historic native vegetation | 20 points |
| 75-89% of the site will return to historic native vegetation | 15 points |
| 50% to 74% of the site will return to historic native vegetation | 10 points |
| 25% to 49% of the site will return to historic native vegetation | 5 points |
| Less than 25% of the site will return to historic native vegetation | 0 points |
| I.B4 Permanence of Restored Habitat | 35 points max |
| Permanent Easement | 35 points |
| 30-year Easement or 30-year Contract with high likelihood the site will retain its habitat functions and values after the enrollment period ends. Provide justification: | 5 points |

Subtotal for Environmental Benefits: _____

| II. Economic Considerations | |
|--|----------------------|
| A. Easement Cost per Acre | |
| II.A1. Easement Cost per Acre | 10 points max |
| Landowner is willing to accept less than 85% of appraised FMV? | |
| Yes-landowner will submit offer less than state's easement valuation methodology | 10 points |
| No-landowner will not accept less than state's easement valuation methodology | 5 points |

| B. Estimated Restoration Cost | |
|--|----------------------|
| Total Restoration Cost \$ | |
| II.B1. NRCS Restoration Cost per Acre The total estimated restoration cost that will be borne by NRCS. The preliminary restoration plan is the supporting documentation. | 10 points max |
| Less than \$500/acre | 10 points |
| \$500-\$1200/acre | 5 points |
| More than \$1200/acre | 0 points |

| C. Restoration Cost-Benefit Comparison | |
|---|----------------------|
| II.C1. Cost per Environmental Benefit Ratio NRCS Restoration Cost per Acre / Environmental Benefits Points = Cost-Benefit Ratio | 10 points max |
| < 5 (with minimum EB points > 60) | 10 points |
| 5-12 (with minimum EB points > 60) | 6 points |
| >12 or EB points <60 | 0 points |

| D. Operation and Maintenance | |
|--|----------------------|
| II.D1. Operation & Maintenance Cost The cost of O&M and management needed to keep conservation practices (structural or vegetative) functioning for the intended purpose; prevent deterioration, repair damage, or replacement if the practice fails. | 10 points max |
| Minimal. Restoration designed to minimize O&M and management costs; practices have low replacement cost, easy access, and/or have infrequent maintenance expected. <ul style="list-style-type: none"> • Examples: tile breaks, ditch plug or fill, low berm w/o structures, plantings, water control structures without seasonally required manipulation, and infrequent vegetation management (spraying, burning, disking, mowing, reseeding, etc.) every 5-10 years. | 10 points |
| Moderate. Anticipated O&M is in-line with NRCS practice standards and specifications; often having an increased requirement during the establishment period, then periodic O&M and management thereafter. <ul style="list-style-type: none"> •Examples: water control structures with two manipulations per year, structures needing minor repair or cleared of debris after flood events, vegetation management (spraying, burning, disking, mowing, reseeding, etc.) every 3-5 years. | 5 points |
| High. On or off-site conditions warrant additional O&M (i.e. flood prone, erosion/siltation, continual noxious weed re-infestation). May include practices that are short-lived or that O&M and management is normal but difficult/costly to access. Frequent vegetation management (spraying, burning, disking, mowing, reseeding, etc.) on less than a 2 year cycle. | 0 points |

Subtotal for Economic Considerations: _____

| III. Special Considerations | |
|---|----------------------|
| III.A.1 Priority Geographic Regions | 10 points max |
| Project located in the Wetland Priority Areas designated by WGFD & State Bird Habitat Conservation Partnership. See page 67 in link below. https://wgfd.wyo.gov/Habitat/Habitat-Information/Wyoming-Wetlands-Conservation-Strategy | 10 points |
| III.A.2 Habitat Connectivity | 15 points max |
| Proximity of offered acres to an existing protected area, such as, WRP/WRE or similar easement of similar duration. USFWS refuges, State, or locally managed wildlife areas with similar management goals would also be applicable. List the protected area(s): | |
| Adjacent | 15 points |
| Within 1 mile | 8 points |
| Between 1 to 5 miles | 2 points |
| III.A.3 Project Size | 5 points max |
| Greater than 320 acres | 5 points |
| 161-320 acres | 3 points |
| 40-160 acres | 2 points |
| Less than 40 acres | 1 point |

Subtotal for Special Considerations: _____

**Agricultural Conservation Easement Program - Agricultural Land Easement (ACEP-ALE)
 Wyoming Parcel Eligibility and Ranking Form**

| | |
|---|---------------------------|
| Fiscal Year | |
| Landowner Name and Address | |
| Eligible entities names and addresses | |
| Parcel Location: | Locality (Town/Township): |
| County: | State: |
| Are all landowners of record AGI eligible? (Y/N) | |
| Are all landowners of record HEL eligible? (Y/N) | |
| Are all landowners of record WC eligible? (Y/N) | |
| NRCS employee confirming landowner eligibility: | |
| Name: | Signature: |
| Is the entity eligible? (Y/N) | |
| NRCS employee confirming entity eligibility: | |
| Name: | Signature: |
| Does the eligible entity have a written pending offer for the parcel? (Y/N) | |
| NRCS employee confirming written pending offer: | |
| Name: | Signature: |
| Does the land (enter a response for each): | |
| _____ Have 50-percent prime, unique, and important farmland? (Y/N) | |
| _____ Have historical or archeological resources? (Y/N) | |
| _____ Protect grazing uses and related conservation values by restoring and conserving land? (Y/N) | |
| _____ Have land that supports the policy of a State or local farm and ranch land protection program? (Y/N) | |
| Is the land eligible? (Y/N) | |
| NRCS employee confirming land eligibility: | |
| Name: | Signature: |

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| National Ranking Criteria (Maximum of 200 points) | | |
|--|----------------|--------|
| National Ranking Factors and Scaling | Maximum Points | Points |
| Percent of prime, unique, and important farmland in the parcel to be protected (0 points for 50 percent or less, 4 points for every percent above 50 percent) | 16 | |
| Are landowners a historically underserved group, small scale farmer, limited resource landowner, new or beginning farmer or rancher or veteran landowner (3 points for Yes, 0 points for No) | 3 | |
| Percent of cropland, pastureland, grassland, and rangeland in the parcel to be protected (0 points for 33 percent or less, 4 points for 33 percent or less, 8 points for more than 33 percent and less than or equal to 50 percent, 16 points for greater than 50 percent) | 16 | |
| Ratio of the total acres of land in the parcel to be protected to average farm size in the county according to the most recent USDA Census of Agriculture (USDA - NASS - Census of Agriculture) (0 points for a ratio of 1 or less, 7 points for ratios of 1.0 to 2.0, 15 points for ratios of greater than 2.0) | 15 | |
| Decrease in the percentage of acreage of farm and ranch land in the county in which the parcel is located between the last two USDA Censuses of Agriculture (USDA - NASS - Census of Agriculture) (0 points for decrease of 0 percent or less, 1 points for decreases of 0 to 5 percent, 5 points for decrease of 5 to 10 percent, 9 points for decreases of 10 to 15 percent, 15 points for decreases of more than 15 percent) (National Mandate – 0 points for 0 percent or less) | 15 | |
| <u>Percent population growth in the county as documented by the United most recent United States Census (Census Bureau Home Page)</u> (0 points for growth rate of less than the State growth rate, 4 points for growth rate of one to two times the State growth rate, 7 points for growth rate of two to three times the State growth rate, 15 points for growth rate of more than three times the State growth rate) (National Mandate – 0 points growth rate less than the State growth rate) | 15 | |
| <u>Population density (population per square mile) as documented by the most recent United States Census (Census Bureau Home Page)</u> (0 points for population density less than the State population density, 4 points for population density of 1 to 2 times the State population density, 7 points for population density of 2 to 3 times the State population density, 15 points for population density of greater than 3 times the State population density) | 15 | |

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|---|-----|--|
| <p>Existence of a farm or ranch succession plan or similar plan established to address farm viability for future generations</p> <p>(0 points for no plan, 7 points for a plan, 15 points for plan documented and performed by industry professional)</p> | 15 | |
| <p>Proximity of the parcel to other protected land, including military installations</p> <p>(0 points easement offer area (EOA) boundary greater than 3 miles from the protected land boundary, 4 points EOA is greater than 1 miles but less than 3 miles from protected land, 7 points EOA is within 1 mile of protected land boundary, 15 points EOA boundary adjoins protected land boundary)</p> | 15 | |
| <p>Proximity of the parcel to other agricultural operations and agricultural infrastructure</p> <p>(0 points if EOA boundary greater than 3 miles in proximity, 4 points if EOA is greater than 1 miles but less than 3 miles in proximity, 7 points EOA is within 1 mile in proximity, 15 points EOA boundary adjoins)</p> | 15 | |
| <p>Parcel ability to maximize the protection of contiguous acres devoted to agricultural use</p> <p>(15 points if the parcel links two noncontinuous corridors of protected agricultural use, 6 points parcel expands agricultural use protected area, 0 points parcel does not increase a protected agricultural use area)</p> | 15 | |
| <p>Parcel contains historical or archaeological resources that will be protected by easement area</p> <p>(15 points if Yes, 0 points if No)</p> | 15 | |
| <p>The grassland in the parcel will benefit from the protection under the long-term easement</p> <p>(15 points if Yes, 0 points if No)</p> | 15 | |
| <p>Currently enrolled in CRP in a contract that is set to expire within a year and is grassland that would benefit from protection</p> <p>(15 points for Yes, 0 points for No)</p> | 15 | |
| <p>Total Points for National Ranking Factors</p> | 200 | |

State Ranking Factors (Maximum of 200 Points)

| | | |
|---|----|--|
| <p>1. Are the offered acres located in a contiguous block? >5,000 acre block (15 pts.) 2,501 to 5,000 acre block (10 pts.) 1,000 to 2,500 acre block (5 pts.) <1000 acre block (0 pts.)</p> | 15 | |
| <p>2. Is there currently an operation management plan for the following: noxious weeds, erosion (gully, sheet/rill, wind, and irrigation), grazing or irrigation inefficiencies, or expired CRP acres? a. Yes (10 points) b. No (0 points)</p> | 10 | |
| <p>3. Is the parcel located within a Wyoming Game & Fish designated crucial habitat priority area? See <u>Habitat Priority Areas</u> a. Crucial Habitat Priority Area (10 pts.) b. No (0 pts)</p> | 10 | |
| <p>4. Offered acres include a diversity of habitat types. Habitat types will be based on WY SWAP (Terrestrial Habitat Types) <u>WGFD SWAP</u> web link a. 8-11 Habitat Types (15 pts) b. 5-7 Habitat Types (10 pts) c. 2-4 Habitat Types (7 pts) d. Less than 2 Habitat Types (5 pts)</p> | 15 | |
| <p>5. What is the water availability on grazed lands? a. Adequate, well-distributed, year-round stock water (10 pts) b. Adequate, well-distributed, seasonal stock water (5 pts) c. Seasonally inadequate or poorly distributed water (0 pts)</p> | 10 | |
| <p>6. Current grazing system designed by NRCS, BLM, rancher or other qualified provider which utilizes a monitoring method from the Wyoming Rangeland Monitoring Handbook. a. Plan exists and includes monitoring (15 pts) b. Plan exists but does not include monitoring (7 pts) c. No plan exists (0 points)</p> | 15 | |
| <p>7. Proximity to Sage-grouse Core Areas a. 50% or greater of offered acres are located in a Core Area (40 pts) b. Less than 50% of offered acres are located in Current Range (20 pts) c. Offer is not located in Core Area or Current Range (0 pts)</p> | 40 | |

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| 8. Proximity to Priority Areas of Conservation (PAC) according to WY Sage Grouse Initiative Business Plan. a. 50% or greater of offered acres are located in PAC for conservation easements (40 pts) b. Less than 50% of offered acres are located in PAC for conservation easements (20 pts) c. Offer is not located in PAC for conservation easements (0 pts) | 40 | |
| 9. Proximity of offered acres to protected land – Protected land must be adjacent to other protected lands. (ie, Perpetual Easements, Federal or State owned lands) a. Adjacent to perpetual easement or USFWS Refuge (20 pts) b. Adjacent to other Federal lands or State Habitat Management Area (10 pts) c. Not Adjacent to any protected lands (0 points) | 20 | |
| 10. T&E species or Species of Greatest Conservation Need (State Listed Species) are present on offered acres and habitat will be managed to improve and protect existing T&E species or State Listed Species. a. Yes (25 pts.) b. No (0 pts.) | 25 | |
| c. Total Points for State Ranking Factors | 200 | |
| | | |

Tiebreaker Question:

Are there multiple partners? Yes or No

If so, how many partners?