**Project Overview**

The Land Conservancy of San Luis Obispo County (“The Land Conservancy”) is requesting partial funding from the Morro Bay National Estuary Program (“MBNEP”) to acquire a conservation easement on the 388-acre Lazy LS Ranch in San Luis Obispo County’s Chorro Valley. This scenic ranch is seated in the upper Chorro Creek watershed between Morro Bay and the City of San Luis Obispo. The property provides a suite of agricultural, wildlife habitat, and watershed benefits. However, the ranch’s scenic location and easy access from Highway 1 make it vulnerable to development and high-intensity land-use change. A conservation easement on the Lazy LS Ranch will permanently protect the property’s conservation values by maintaining current land use patterns on the property. The Land Conservancy is requesting $148,500 from the Morro Bay National Estuary Program toward the total appraised value of the Lazy LS Ranch conservation easement.

 The Lazy LS Ranch provides a suite of agricultural, wildlife habitat, and watershed benefits in its current, undeveloped state. The property’s abundant annual grasslands, thriving oak woodlands, and healthy riparian corridors support a variety of local and migratory wildlife species including mountain lion, bobcat, and American Badger. Owl, red-tailed hawk, and golden eagle also live on an migrate through the property. The ranch’s serpentine rock outcrops and natural springs provide habitat for several rare and endemic plant species including endangered Chorro Creek bog thistle. The landowner, Larry Sage, grazes approximately 50 head of cattle on the property. Cattle are managed according to a sustainable grazing regime that rotates the herd through five pastures annually. Larry has a strong conservation ethic and prioritizes the health and efficient use of the property’s soil and water resources. Larry has worked with the Morro Bay National Estuary Program to implement conservation practices designed to protect sensitive riparian areas from erosion. This includes exclusionary fencing around several riparian corridors and protective barriers around coast live oak saplings. These actions protect woodland and riparian soils from erosion and benefit downstream water quality within the Chorro Creek watershed. Without protection, the Lazy LS Ranch could be readily developed as an estate property. This type of development would permanently degrade the ability of the ranch to support local, sustainable agriculture and would negatively impact wildlife habitat and downstream water quality in Chorro Creek and the Morro Bay Estuary.

 The Lazy LS Ranch conservation easement will permanently protect the agricultural, wildlife habitat, and watershed conservation values provided by the property in its current undeveloped state. The easement will prohibit any subdivision of the property and limit future residential development to a single residential home on a pre-identified 1-acre building envelope. The easement will also prohibit high-intensity agricultural operations such as the establishment of vineyards, commercial greenhouses, and commercial feedlots. Agricultural practices related to livestock grazing as well as horse and animal husbandry are not prohibited under the easement. Prohibitions on the removal of native vegetation for reasons other than fire protection, safety, or reasonable land management purposes will ensure that the Lazy LS Ranch remains an open-space property that will continue to support sustainable livestock grazing while providing wildlife habitat and watershed benefits.

**Project Budget**

Based on recent completed easement projects, Land Conservancy staff estimate the value of the Lazy LS Ranch conservation easement at $1,100,000. A conservation easement appraisal has been ordered and will be complete by March 31, 2020. Match funding for this conservation easement will be provided by the Sustainable Agricultural Lands Conservation (“SALC”) program. The SALC program is a state grant program administered by the California Department of Conservation. In December 2020, the Lazy LS Ranch project received $825,000 from SALC toward the purchase of a conservation easement. Up to $50,000 will be available from SALC following the successful close of this easement to cover associated project costs, such as staff time, a baseline conditions report, and appraisal fees. With a contribution of $148,500 from MBNEP, The Land Conservancy will have secured a total of $973,500 toward the purchase of the Lazy LS conservation easement.

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|  | **MBNEP** | **SALC** | **Landowner** | **Total** |
| **Conservation Easement** | $148,500 | $825,00 | $126,500 | **$1,100,000** |
| **Associated Costs****(Appraisal, Baseline Report, etc.)** |  | $50,000 |  | **$50,000** |
| **Stewardship Endowment** |  |  | $46,200 | **$46,200** |
| **Total** | $148,500 | $875,000 | $172,700 | **$1,196,200** |

**Conservation Easement Monitoring and Enforcement**

The Land Conservancy adheres to a Conservation Easement Monitoring Policy and associated Easement Monitoring Procedure to inform the monitoring process for each easement in its portfolio. Measuring the success of a conservation easement over time begins with a Baseline Conditions Report. This report is required as part of every conservation easement The Land Conservancy holds. Baseline Reports are completed at the time the easement recorded. They document the state of a property when the easement went into effect both in general and with an emphasis on aspects of the property or land uses explicitly address by the easement.

Following the recordation of an easement, The Land Conservancy will monitor the easement area annually in order to ensure continued compliance with the easement terms. Annual monitoring is conducted by qualified staff and/or volunteers, and is informed by the Baseline Conditions Report, as well as prior annual monitoring reports. Annual monitoring of the easement will provide a consistent measurement of whether the easement is successfully maintaining the conservation values it is intended to protect. The annual monitoring reports are also useful tools for landowners, as they can view changes in the land over time and use that information to improve or adapt their land management strategies.

Conservation easement monitoring is funded by a stewardship contribution that is calculated based on the anticipated costs of monitoring and relative risk of violation given the property location and easement terms. The stewardship contribution is paid by the landowner when the easement is completed. This contribution is added to The Land Conservancy’s Easement Monitoring and Defense Fund, which is set up to provide significant financial resources for the perpetual responsibility of measuring the success of each conservation easement.