

# The Charlotte Observer

## Losing grants squelches conservation efforts

Governor will use \$100 million from the Clean Water Management Trust Fund to help state budget shortfall.

By Wade Rawlins

April 5, 2009

Conservation groups that counted on state grants to help purchase natural areas are getting squeezed by Gov. Bev Perdue's decision to take \$100 million from the Clean Water Management Trust Fund to help solve the state budget shortfall.

More than a dozen land trusts based in Charlotte, the Triangle and coastal areas bought land or cut deals in recent months after the trustees of the trust fund approved grants and in some cases signed contracts to share the cost. Now, the trust fund doesn't have the cash to honor those grants.

"It's just difficult," said Richard Rogers, executive director of the Clean Water Management Trust Fund, a state agency that provides grants to conservation groups and governments to improve water quality. "Everybody realizes the state is in a bad way."

Rogers said the grants approved by the trustees in the second half of last year are basically on hold. The trustees award grants based on a project's potential benefit to water quality. Rogers sent out letters last month to land trusts, warning them to stop work immediately on any projects for which they didn't already have a signed contract.

Some land trusts have already spent money to close deals, though.

The Nature Conservancy closed last October on the nearly \$7 million purchase of 357 acres in Rutherford County. The conservancy hopes eventually to transfer the land in Hickory Nut Gorge to the state parks system as part of a future Chimney Rock State Park. The group had been awarded \$3.5 million by the Clean Water Management trustees to help with the purchase. The conservancy raised money and advanced its own to close the deal with the expectation of repaying itself when the state grant arrived.

"We have spent the money," said Debbie Crane, a spokeswoman for the Nature Conservancy. "Once you got the approval and they said it was yours, you went ahead and cut the deal. This is how it's always been."

Reid Wilson, executive director of the Conservation Trust for North Carolina, which lobbies on behalf of other land trusts, said about \$30 million had been contractually obligated or spent by land trusts on projects in anticipation of approved state clean water trust fund grants.

Wilson said there are at least 33 land deals where the land trust has signed a contract to buy land or signed a purchase option.

"They are legally obligated to provide money to the landowner," Wilson said. "They entered that contract relying on the fact that the Clean Water Management Trust Fund had approved the project.

"For a small nonprofit group, that can be a really big problem," he said.

Sometimes, even a signed contract with the trust fund wasn't enough. There are nine land deals where conservation groups have signed contracts with the fund, but the state money wasn't specifically linked to those contracts yet – so the check is not in the mail.

Rogers, executive director of the trust fund, said the trustees would try to honor the 2008 grants with any money the legislature allots in 2009. Perdue's proposed state spending plan recommends \$75 million for the Clean Water Management Trust Fund next year, but state lawmakers have not produced a budget.

For now, the trust fund can't say if or when any money will be forthcoming.

"We are trying to communicate with the (land trusts) on the status of what is going on," Rogers said. "It puts them in a very difficult situation."