Conservation Assistance Program

Galveston Bay Watershed

2021 Annual Report

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Abbreviations

CAP	Conservation Assistance Program
CHP	Artist Boat's Coastal Heritage Preserve
EPA	U.S. Environmental Protection Agency
ESA	Environmental Site Assessment
FY	Fiscal year
GBEP	Galveston Bay Estuary Program
GBF	Galveston Bay Foundation
GBP	Galveston Bay Plan
GEBF	Gulf Environmental Benefit Fund
GLO	Texas General Land Office
GOMESA	Gulf of Mexico Energy Security Act
MCP	Matching Contribution Plan
NAWCA	North America Wetlands Conservation Act
NCWCGP	National Coastal Wetlands Conservation Grants Program
NFWF	National Fish and Wildlife Foundation
NRCS	Natural Resource Conservation Service
NRDA	Natural Resource Damage Assessment
RESTORE	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act
TCEQ	Texas Commission on Environmental Quality
TFRLCP	Texas Farm and Ranch Lands Conservation Program
TPWD	Texas Parks and Wildlife Department
USFWS	U.S. Fish and Wildlife Service

Executive Summary

The Galveston Bay Estuary Program's Conservation Assistance Program provides regional support for land conservation efforts within the Galveston Bay watershed. Conservation Assistance Program funding was awarded by Galveston Bay Estuary Program to Galveston Bay Foundation to provide financial resources to coordinate, develop and implement land acquisition projects, provide transactional support to local conservation organizations, and organize a workgroup of natural resource partners dedicated to perpetual land conservation efforts within the Galveston Bay watershed. Program objectives include identifying and developing priority land acquisition projects, securing acquisition funding from state, federal, and private sources, implementing conservation strategies, negotiating fee simple and conservation easement acquisitions, and closing land conservation projects.

Tasks identified to accomplish the Conservation Assistance Program objectives include:

- Project administration,
- Conservation workgroup,
- Conservation activities,
- Grant proposals for conservation projects,
- Public outreach, and
- Annual report.

The Conservation Assistance Program supported many conservation project efforts during fiscal 2021 and assisted with the perpetual conservation of five tracts of land, totaling over 800 acres. Additionally, the Galveston Bay Foundation has worked to secure funding and manage several large land transaction projects that are expected to close in early fiscal 2022. These Conservation Assistance Program supported projects will result in the perpetual conservation of approximately 5,172 acres of coastal habitat within the Galveston Bay watershed, including 4,714 acres along Halls Bayou and West Galveston Bay in Brazoria and Galveston counties and 458 acres adjacent to Oyster Bayou in Chambers County.

Figure 1: Angleton Prairie Plant Community

Introduction

Urban growth in the Houston-Galveston region continues to put pressure on remaining open space, in turn, threatening the productivity of existing wildlife and fisheries habitats, agricultural areas, and the quality of water in Galveston Bay. Conversion of natural areas, agricultural lands, and other open spaces to suburban residential and commercial land uses presents a real threat to the sustainability and productivity of the Galveston Bay estuarine system. Subdividing large ranches and farms into smaller parcels diminishes the ecological value of those lands for migratory and resident wildlife populations along the coast. Also, the expanding suburban edge of the Houston metro area inflates land values of target conservation properties throughout the region.

In response to these factors, the Conservation Assistance Program (CAP) was reauthorized in fiscal 2018 to accelerate acquisition of land resources throughout the watershed and protect critical natural landscapes with specific ecological values. The overall goal of the CAP is to support the Galveston Bay Estuary Program (GBEP) and its partners' efforts to preserve wetlands and other important coastal habitats within the Galveston Bay watershed to protect the long-term health and productivity of Galveston Bay. GBEP identified the following CAP goals:

- Identify priority conservation properties with the help and consensus of conservation partners.
- Develop funding strategies for land acquisition projects through grant identification, grant writing, and fundraising efforts.

- Work with willing sellers to negotiate fee simple or conservation easement transactions.
- Provide legal, title, and other due diligence transaction support for CAP-approved projects.
- Finalize the sale and transfer of title to a third-party organization or government entity.

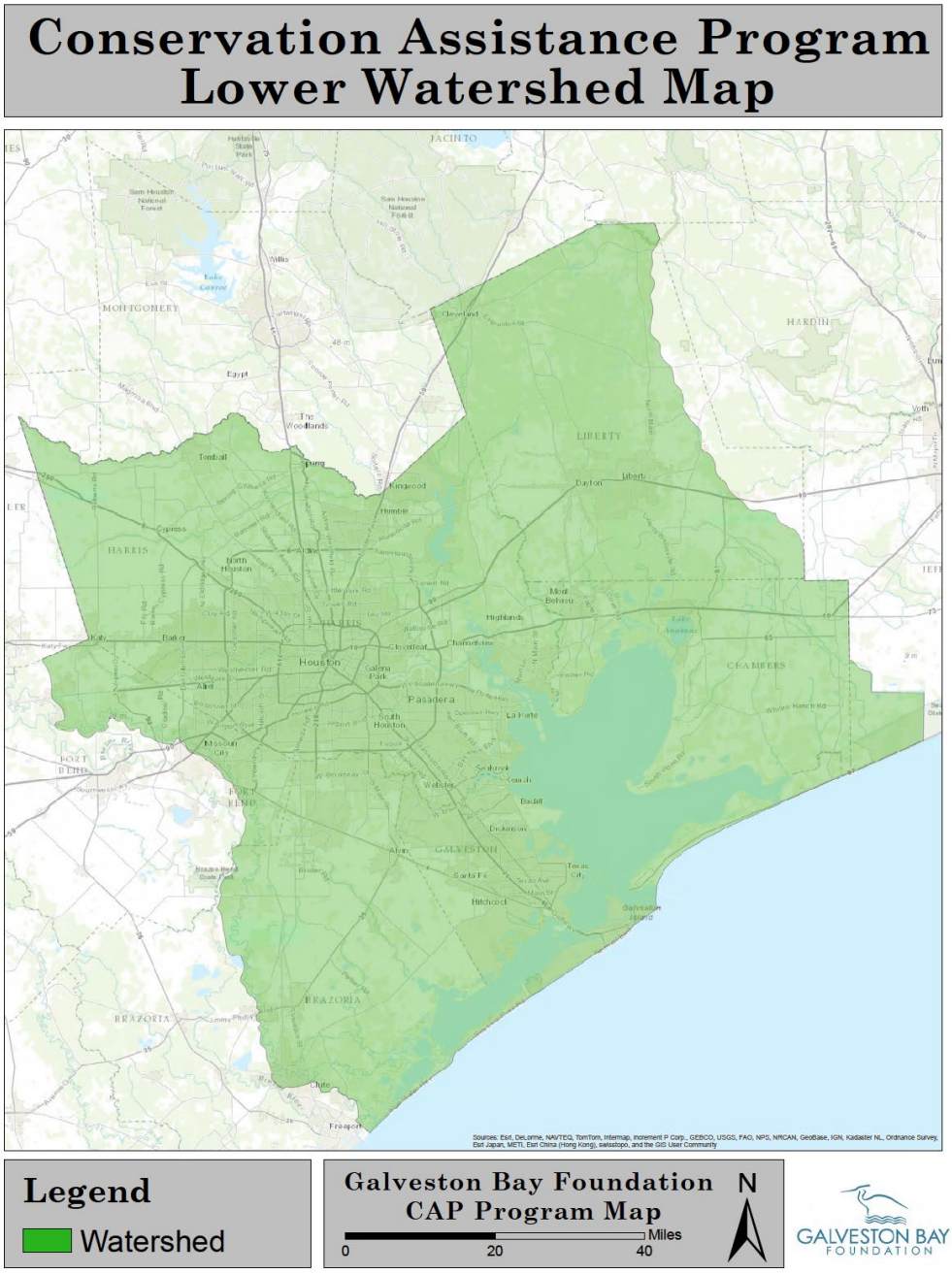

Figure 2. Galveston Bay Watershed

Specific objectives for the program were designed to reflect regional conservation priorities, engage conservation stakeholders, and provide support to land acquisition projects within the region. Three CAP objectives are outlined below.

1. *Preserve coastal wetlands and natural areas:*
   The Galveston Bay Plan (GBP) identifies perpetual land conservation as one of the best strategies for protecting the biodiversity and overall health of the estuarine system. Furthermore, the GBP identifies the need for an ecosystem approach that promotes physical and hydrological connectivity of habitats with existing ecological value. CAP conservation objectives address these needs by targeting land parcels that:

   - Possess unique conservation value, such as wetlands, bottomland hardwood forests, floodplains, and associated habitats;
   - Have a direct link to coastal riparian areas, coastal prairies, or Galveston Bay;
   - Provide public access to Galveston Bay and its coastal tributaries; or
   - Reduce or prevent nonpoint source pollution by providing storm water abatement.

2. *Facilitate a conservation workgroup:*
   There are many local, state, and national organizations and government agencies actively seeking to protect land along the Texas coast for various conservation objectives. The purpose of this workgroup is to engage stakeholders already working within the Galveston Bay watershed, build consensus and support for land conservation projects, and identify opportunities for partnerships that will accelerate land acquisition within CAP target areas.

3. *Provide transactional support:*
   The CAP provides due diligence and real estate acquisition assistance for conservation projects in the Galveston Bay watershed. This includes identifying viable conservation projects, negotiating terms of conservation easement or fee simple sales, managing funding sources, and assisting with the completion of due diligence like surveys, appraisals, and environmental site assessments (ESAs). The CAP can also provide partners with financial support for unfunded due diligence activities when funding is available.

Acquisition of intertidal wetlands, tallgrass prairie, coastal forests, and freshwater wetlands preserves existing foraging and nesting habitats for many avian species protected by federal law and nursery habitat for commercially significant fisheries species. The existence of two or more of these habitats in proximity promotes overall biodiversity and productivity within the region.

A regional land conservation program helps support and ensure a healthy coastal ecosystem for Galveston Bay. The CAP's three-tier structure includes building capacity

within local nonprofit organizations, engaging conservation partners, and providing support for acquisition projects has proven to be a successful model for regional land conservation initiatives.

Figure 3. Follets Island

Project Significance and Background

Galveston Bay is the largest and most productive estuary in Texas, and second only to the Chesapeake Bay system among U.S. estuaries in fisheries productivity. Galveston Bay is the single defining geographic feature for the Houston metropolitan region and serves as the foundation for its economy. Galveston Bay and its many waterways and diverse natural features afford an array of recreational opportunities for residents and visitors and play an essential role in maintaining a high quality of life.

Figure 4: Coastal Prairie at Dollar Bay

Over 5 million people, or 75% of Texas' coastal population, reside in the five counties surrounding Galveston Bay. As a result, human activities have significantly altered the ecosystem and affected its productivity, converting coastal wetlands to human uses, and fragmenting remaining coastal natural areas. The Houston metropolitan area is growing rapidly, and its population is expected to nearly double by 2035 (Houston-Galveston Area Council, 2007). This growth will place increasing pressure on coastal natural resources and likely result in additional coastal habitat loss and fragmentation. The U.S. Environmental Protection Agency (EPA) characterizes coastal wetland and associated habitat loss in Texas as severe (EPA, 1999), and this is a continuing concern because of the many important functions and values these features provide. Wetland loss in the Galveston Bay system is greater than in other areas of the state.

Many local scientists and resource managers believe that continued habitat loss poses the greatest single threat to the Galveston Bay ecosystem. Galveston Bay Estuary Program's habitat loss studies primarily focus on wetlands. However, the bay system features a diversity of habitats, including extensive coastal prairies and forests that contribute to the health and productivity of the estuary, and provide many important functions and values to humans. The upland components of these habitat complexes receive limited regulatory protection and are subject to significant loss and fragmentation. While minimal data exist on fragmentation and loss of these valuable upland features, the U.S. Fish and Wildlife Service (USFWS) reports that less than one percent remains of the once vast expanses of coastal prairie and considers coastal prairie ecosystems to be "critically imperiled" (USFWS, 2000).

Methods

The CAP is focused on promoting land conservation within the Galveston Bay watershed by helping nongovernmental organizations complete fee simple and conservation easement transactions. The process established to provide this assistance includes strengthening local land conservation organizations, engaging regional

partners, identifying land conservation priorities, implementing conservation strategies, and educating local communities on the benefits of land conservation.

Build Capacity

To accomplish regional land conservation goals, the CAP needed to develop transactional expertise to share with the conservation community and strengthen partnering land trusts. The CAP invested in the education of Galveston Bay Foundation (GBF) staff to maintain status as an Accredited Land Trust, implement national standards and practices for perpetual land conservation, and bring tools and strategies to the Galveston Bay region that have been successful in other parts of the state and country. GBF attended the Land Trust Alliance Rally, Texas Land Trust Council Annual Conference, and helped form the Gulf-wide Partnership for Gulf Coast Land Conservation. These educational and capacity building opportunities strengthened GBF as a land trust and expanded expertise in real estate transactions and various land conservation tactics.

Figure 5. Snow Geese at Oyster Bayou

Facilitate a Conservation Workgroup

The GBF contracted with a local conservation consultant, Linda Shead, to coordinate with regional land conservation entities and facilitate conservation workgroup meetings. Her local knowledge of conservation projects, governmental processes, funding sources, and local partners brings credibility and substance to the workgroup meetings.

Meetings are scheduled three times per year at the request of workgroup participants and are held at an easily accessible local forum. Agendas are developed by Ms. Shead, in coordination with GBF staff, and distributed prior to meetings. Summary notes are kept on file to document discussion and decisions made by the group. Meeting

conversations are typically dominated by updates on acquisition projects, funding strategies, and new opportunities for land conservation within the watershed. Handouts with project information, maps, and habitat descriptions are provided to attendees and Google Earth is displayed with a projector to provide spatial context and aerial imagery.

Maintain a List of Conservation Projects

GBF has developed a simple list of projects that were proposed, debated, and investigated for conservation merit by the Conservation Workgroup. Many of these were deemed worthwhile and were supported by the CAP, while others were not as attractive due to various circumstances. The conservation workgroup has adopted this running list of projects, categorized by level of activity, to track progress and acquisition efforts. Ongoing projects actively seeking acquisition funding or working to complete due diligence activities are compiled on the Active Projects List. Projects that have consensus as high conservation value but have major uncertainties about willing sellers, future holders, or funding sources are tabulated on the Project Investigation List. Projects that are identified as good conservation value but lack any sort of communication with landowners or traction for acquisition are classified on the Potential Projects List. These lists help focus CAP efforts, organize regional projects and coordinating partners, and help determine the need for future CAP resources and assistance. The current project lists are attached to this report as Appendix A.

Project Selection

Participants in the Conservation Workgroup are encouraged to bring projects for discussion and consideration for CAP assistance. Conservation partners are provided with a standardized form to share project information and details for each project like size, location, habitats, and other pertinent information for the group to consider. To qualify as a CAP project, the targeted land parcel must include one or more of the following attributes:

- Possess unique conservation value, such as wetlands, bottomland hardwood forests, floodplains, and associated habitats;
- Have a direct link to coastal riparian areas, coastal prairies, or Galveston Bay;
- Provide public access to Galveston Bay and its coastal tributaries; or
- Reduce or prevent nonpoint source pollution by providing storm water abatement.

The CAP has identified two primary initiative areas to help focus acquisition efforts. Limited time, resources, and funding provide a significant challenge when attempting to address land conservation on a watershed scale. The size of unprotected land parcels, presences of high-quality target habitats, proximity to Galveston Bay waters, and relatively low price per acre were some of the factors considered when delineating these initiative areas.

West Bay Conservation Corridor Initiative

The West Bay Initiative is a concentrated effort in West Bay comprised of numerous conservation, restoration, and habitat protection projects supported by nonprofit organizations, state and federal agencies, and private partners. The objective of the initiative is to protect and restore habitat and associated biological communities critical to the Galveston Bay ecosystem, including fringing intertidal and high marsh, tidal flats, freshwater wetlands, and coastal prairies.

Project partners previously completed a habitat and land use assessment of the West Bay watershed to identify and prioritize key natural areas, and are actively pursuing conservation through a variety of mechanisms including:

- Conservation easements; and
- Fee simple purchase.

Figure 6: Halls Lake at the Chocolate Bay Preserve

East Bay Conservation Initiative

A special conservation initiative is focused on the East Bay watershed and fringing areas to protect the rich natural features and water quality. Conservation partners, specifically informed through the Trust for Public Land's Chambers *County Greenprint for Growth and Conservation*, have identified East Bay as a high-priority region because of its relatively pristine nature. East Bay's wildlife habitat is integral to its economic and environmental health. Because of its rural character and already protected lands, much of its natural habitat remains intact. Habitat types of concern for conservation in East Bay include:

- fresh and estuarine marshes
- riparian corridors
- oak mottes

- coastal prairies
- flyway corridors for migratory birds.

Currently conserved lands in East Bay include County parks, privately managed preserves, state wildlife management areas, and national wildlife refuges. The dominant change in land use and habitat loss occurring in East Bay is the conversion of farm and ranch land to building sites for single-family homes. The trend toward suburban development, driven in part by increased mobility of people and jobs in the 21st century economy, is common throughout the Houston-Galveston region. Increased urbanization resulting in habitat loss has the potential to degrade water quality and the region's ecological productivity.

Having set initiatives and selection criteria does not preclude projects that are outside of the initiative boundary from receiving CAP assistance. But those projects will need to provide justification for their ecological values and overall conservation benefit. The intent for utilizing a defined project selection criteria process was to focus efforts and resources to complete projects that have the most ecological value for the region.

Project Development

Once a project meets the basic CAP requirements, is approved by the conservation workgroup, and a project lead has been identified, project assistance is provided as necessary to put the project in a position to be a successful transaction. When GBF is the lead project manager, all landowner meetings, negotiations, site visits, correspondence, and project strategy are initiated and coordinated by GBF staff. Other project partners may be utilized as necessary when a specific skillset or partnership may bring value to the project. Likewise, if a partner organization is the lead for a project, GBF will only be involved when services or CAP resources are requested. GBF provides project development assistance to our project partners in the form of acquisition strategies, general project mapping, documentation of conservation values and natural resources, landowner communications, and fundraising assistance.

Project Implementation

Executing the conservation strategy and completing the real estate transaction can be a complex and challenging task. The project manager is required to coordinate with the seller on a regular basis, communicate details of complex funding mechanisms, manage contractors conducting due diligence activities, handle legal reviews, negotiate purchase agreements and sales contracts, and see the project through closing. Additionally, complex funding strategies with multiple funders are commonly developed to acquire high value properties. GBF has experience and expertise in handling landowner relations, completing due diligence, and getting the acquisition funding to closing. If GBF is not the lead project manager for a transaction, assistance is provided by identifying appropriate conservation strategies and funding quality

contractors to provide services including Phase 1 ESAs, property boundary surveys, appraisals, and legal title review.

Public Outreach

Both the East Bay and West Bay Conservation Initiatives focus land acquisition on areas where landowners may be wary of government involvement and cautious of land conservation efforts. Gaining the trust of local landowners and educating community leaders on the benefits of conservation easements and land conservation in their communities is critical to the success of any long-term land conservation program. GBF may target stakeholders from time to time and present information to large and small audiences in urban, suburban, and rural areas. These efforts provide an opportunity to reach potential donors, environmentalists, farmers, ranchers, fisherman, hunters, kayakers, and other wildlife enthusiasts and teach them about land conservation tools and benefits.

Any press releases submitted to local media outlets to highlight successful conservation efforts and promote the work of GBEP, GBF, and CAP partners will be consistent with the Back the Bay marketing campaign.

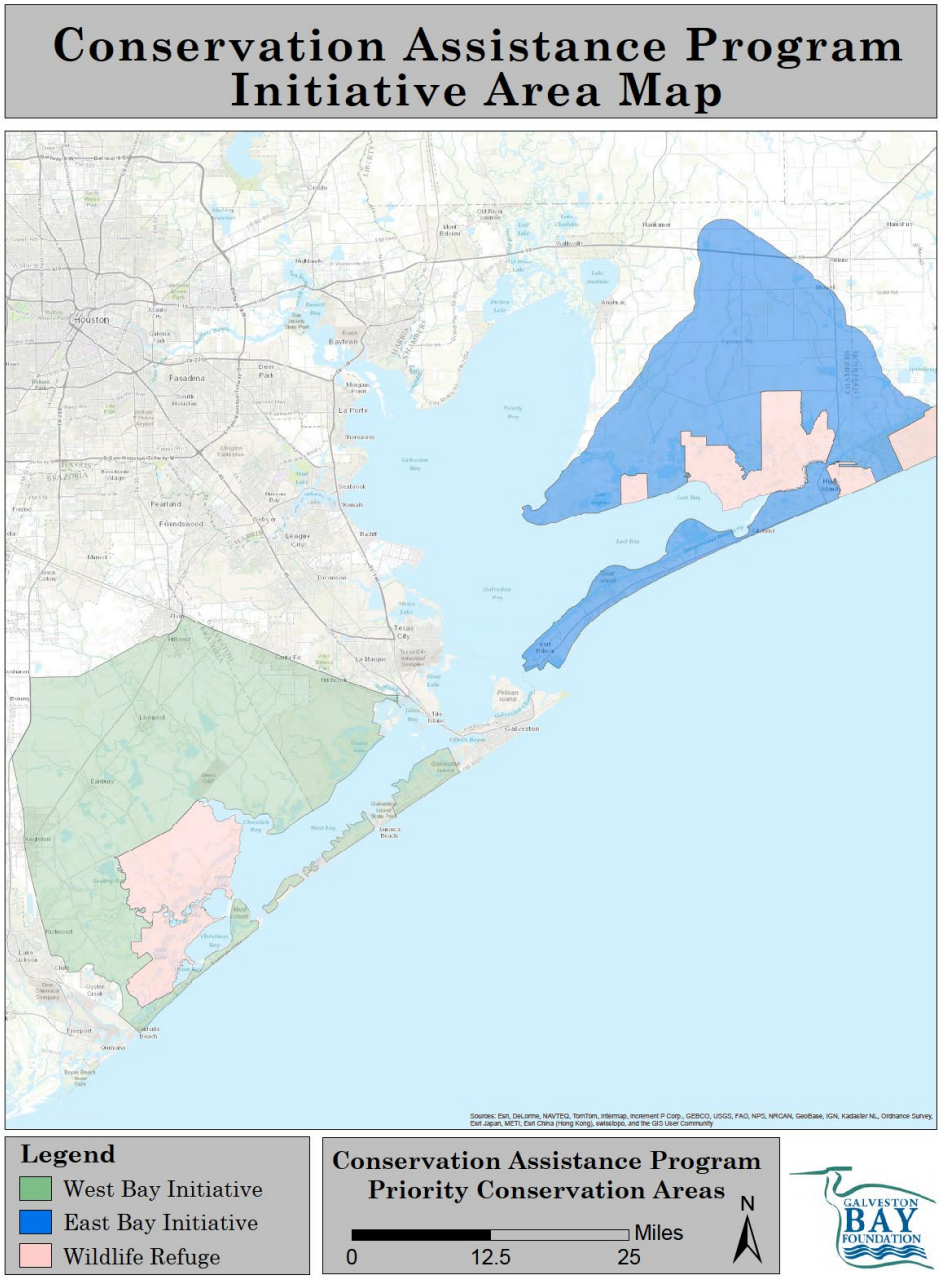

Figure 7: East and West Bay Conservation Initiative Areas

Figure 8: Gordy Marsh

Results

In fiscal 2021, the CAP provided support to 11 approved land conservation projects within the Galveston Bay watershed. These projects vary in size, conservation method, and habitat types. Both fee simple and conservation easement transactions are used to provide perpetual protection to these parcels, utilizing a variety of state, federal, and private funding sources.

CAP involvement varies from full identification, development, and implementation of conservation projects to simply providing funding to help defray unfunded costs associated with required due diligence for perpetual protection. Of the ten ongoing projects, six are managed by GBF and four are managed by conservation partners. Four projects closed during fiscal 2021, resulting in approximately 794 acres of perpetual land conservation within the Galveston Bay watershed. Details for completed projects are listed on the table below.

Table 1. CAP Project List

Project Name	Status	Size (Acres)	Funding Source (Secured-*Identified*)*	Project Lead	Closing Date
Coastal Heritage Preserve – Anchor Bay Tract	Complete	75	USFWS – NCWCG Program and Private Funding	Artist Boat	July 2021
High Island	Complete	603	Donation – Private Funds	Houston Audubon Society	January 2021
Dollar Bay	Complete	106	GOMESA	Galveston Bay Foundation	January 2021
Angleton Prairie – Moore Tract	Complete	10	NAWCA	Galveston Bay Foundation	February 2021

Project Name	Status	Size (Acres)	Funding Source (Secured-*Identified*)*	Project Lead	Closing Date
Chocolate Bay Preserve	Ongoing	4,714	GEBF / NAWCA	Galveston Bay Foundation	TBD
Oyster Bayou	Ongoing	458	TFRLCP / NRCS	Galveston Bay Foundation	TBD
Coastal Heritage Preserve – Sixth Addition Middle Tract	Ongoing	45	USFWS - NCWCG Program and Private Funds	Artist Boat	TBD
Gordy Marsh Phase 2	Ongoing	1,200 – 3,600	*Migratory Bird Treaty Act*	Conservation Fund / US Fish and Wildlife Service	TBD
Follets Island – Munson Tract / RES Tracts	Ongoing	500	NAWCA / NRDA	Galveston Bay Foundation / Texas Parks and Wildlife (TPWD)	TBD
West Bay Additions to Chocolate Bay Preserve	Ongoing	500	*Private Foundations*	Galveston Bay Foundation	TBD
Armand Bayou Expansion	Ongoing	1,000		Armand Bayou Nature Center	TBD

*U.S. Fish and Wildlife Service (USFWS), National Coastal Wetlands Conservation Grant Program (NCWCGP), Gulf of Mexico Energy Securities Act (GOMESA), North America Wetlands Conservation Act (NAWCA), National Fish and Wildlife Foundation (NFWF), Gulf Environmental Benefit Fund (GEBF), Texas Farm and Ranch Lands Conservation Program (TFRLCP), Natural Resource Conservation Service (NRCS), Natural Resource Damage Assessment (NRDA)

GBF has successfully attracted funding for land acquisition projects over the past several fiscal years. Some these projects have closed and some are projected to close in fiscal 2022. GBF assisted the Conservation Fund and Anahuac National Wildlife Refuge (NWR) with a large funding opportunity through the USFWS Migratory Bird Treaty Act and is awaiting an announcement. Other CAP partners applied to various funding sources to support CAP approved acquisition projects. Grant applications were lower than in previous years due to increased workload and timing associated with ongoing acquisition projects. Higher volumes of funding applications are expected for future cycles as some projects close and new conservation opportunities are pursued. Table 2 details funding sources and amounts that have been awarded for priority land conservation projects.

Table 2. Grant Funding for FY2021 CAP Projects

Project Name	Status	Award Date	Size (Acres)	Funding Source	Amount
Chocolate Bay	Awarded	FY20	4,714	GEBF	$10,500,000
Chocolate Bay	Awarded	FY21	4,714	NAWCA	$850,000
West Bay Additions to Chocolate Bay	Awarded	FY21	500	Private Foundation	$380,000
Oyster Bayou	Awarded	FY20	458	TFRLCP / NRCS	$230,000 / $230,000
Dollar Bay	Awarded	FY20	106	GOMESA	$1,650,000

Project Name	Status	Award Date	Size (Acres)	Funding Source	Amount
Angleton Prairie	Awarded	FY20	10	NAWCA / Private Donations	$561,200 / $75,000
Gordy Marsh	*Applied*	FY21	3,600	Migratory Bird Treaty Act (USFWS)	$8,300,000

Three conservation workgroup meetings were held in fiscal 2021. Conservation partners attended virtual meetings held on the Zoom platform. Attendees included nonprofit land conservation organizations, state and federal natural resource agencies, and individuals with conservation interests. The conservation workgroup meeting dates for fiscal 2021 are included in the table below.

Table 3. Conservation Workgroup Meeting Dates

Location	Date
Virtual Meeting - Zoom	11/6/2020
Virtual Meeting - Zoom	5/7/2021
Virtual Meeting - Zoom	8/20/2021

Eight conservation workgroup-approved projects utilized CAP funding to help finance due diligence costs in fiscal 2021. These funds helped organizations pay for surveys, appraisals, legal title review, closing costs, or other necessary transactional items. Some CAP contributions provided funding leverage and partnerships which helped projects become more competitive for acquisition funding. In addition to the $34,875.75 funding dedicated to project due diligence from the CAP grant, GBF was able to dedicate USFWS Coastal Program funding for priority CAP projects. These Coastal Program funds were allocated to projects as part of the CAP workgroup meeting process and received consensus support from attending members. A list of projects that received due diligence funding in fiscal 2021 is below. The CAP investment does not include USFWS Coastal Program funding that was provided to these projects or CAP investment from previous fiscal years.

Table 4. CAP projects that received due diligence funding in FY 2021

Project Name	Lead Organization	Status	CAP Investment
Dollar Bay	Galveston Bay Foundation	Completed – 106 ac	$1,575
High Island	Houston Audubon Society	Completed – 603 ac	$15,000
Coastal Heritage Preserve – Anchor Bay	Artist Boat	Completed – 75 ac	$15,000
Oyster Bayou CE	Galveston Bay Foundation	Ongoing– 458 ac	$11,312.50
West Bay Additions	Galveston Bay Foundation	Ongoing– 500 ac	$3,831.25
Coastal Heritage Preserve - Sixth Addition Middle Tract	Artist Boat	Ongoing – 45 ac	$1,407
Chocolate Bay	Galveston Bay Foundation	Ongoing– 4,714 ac	$612.50
Gordy Marsh	Galveston Bay Foundation / Conservation Fund	Ongoing – 1,800 ac	$962.50
Follets Island	Galveston Bay Foundation / TPWD	Ongoing– up to 500 ac	$175
Total Investment			$49,875.75

Figure 9: Alligator Point at Chocolate Bay and West Galveston Bay

Discussion

GBF and partners participating in the conservation workgroup continually develop quality projects for acquisition but sometimes struggle to secure timely funding sources to close projects. An overall lack of nonfederal acquisition funding sources continues to be one of the biggest challenges to overcome. Federal funding sources are highly competitive, target very specific land attributes, and usually require a significant nonfederal match component. Private foundations have been willing to fund small percentages of land acquisition projects, but state level funding is largely unavailable. For example, TFRLCP, administered by Texas Parks and Wildlife Department (TPWD), receives $2,000,000 from the state legislature every other year. TFRLCP only supports conservation easements (not fee-simple acquisition). Funding eligibility is statewide, and scoring criteria favors projects with high funding leverage.

Another nonfederal funding source that is now available for coastal land conservation is GOMESA, administered by the Texas General Land Office (GLO) as part of the Coastal Management Program. While funding levels look very promising, some significant rules interpretations provide significant challenges for land conservation projects in the Houston-Galveston region. Primarily, the recent interpretation that a government entity must hold a fee title to any real estate purchased with program funding poses a barrier to nongovernmental organizations (NGO) focused on protecting land. Many local municipalities are unwilling to accept land parcels as open space or parkland due to limited management budgets and lack of support for conservation initiatives.

Federal funding sources, such as NAWCA and NCWCGP, target wetlands and closely related habitats, excluding coastal prairies and forests that are not considered

wetlands. NCWCGP has a limit of $1 million per project and NAWCA has recently increased its funding limit to $2 million with appropriate justification. These federal funding sources require anywhere from 33-200% in nonfederal match to be completive against a national or regional pool of applicants. Additionally, land values in the Galveston Bay watershed have continued to rise with demand for suburban development, causing projects to be phased into multiyear projects. One positive is the existence of several large-scale, approved Matching Contribution Plans (MCPs) that allow previously completed land conservation projects to be utilized for the nonfederal matching portions of the grant requirements. These MCPs will help with the overall burden of nonfederal funding, but do not add points to project applications.

Each land conservation project presents unique challenges that provides opportunity to learn and grow as a conservation practitioner. During the grant period, these experiences have provided perspective and clarity on many aspects of conservation acquisition. A couple of salient points to share include flexible and extended-length purchase options and transactions. To the extent possible, GBF has learned to draft sales contracts, purchase options, and similar real estate documents with enough flexibility to react to difficult funding requirements and unexpected changes to project requirements. Also, allowing a lengthy term for due diligence, reviews, and fundraising will help set landowner expectations.

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Appendix A. CAP Projects

The following 11 conservation projects were reviewed against the CAP project selection criteria during the conservation workgroup meetings and deemed to possess the priority conservation values necessary to meet the goals and objectives of the CAP. Each of these projects were actively developed or implemented as a CAP project.

Chocolate Bay Fee Simple Acquisition (Ongoing)

The Chocolate Bay project will utilize both NFWF's GBEF and NAWCA funding to purchase the fee simple interest in approximately 4,714 acres in Brazoria and Galveston Counties. Funding has been secured for acquisition and GBF is in the process of finalizing due diligence and NFWF and NAWCA requirements. Due to a title issue, closing on this tract was delayed and will occur in October 2021.

Oyster Bayou Conservation Easement Purchase (Ongoing)

The Oyster Bayou project will utilize state and federal funding to purchase a conservation easement on 458 acres of land in Chambers County. The property is adjacent to Oyster Bayou and directly across FM 562 (Whites Ranch Road) from the Anahuac NWR and within the NWR acquisition boundary. The property is currently active rotational rice farming, and the landowner has an interest in waterfowl habitat management. NRCS has funded the project under their Agricultural Land Easement Program, and the required nonfederal match has been awarded by TPWD's TFRLCP. Each program will provide $230,000 to fund a fair-market-value transaction. Due to process delays in the NRCS and TPWD funding programs, this project was unable to close during fiscal 2021 and will close sometime in October-November 2021.

Coastal Heritage Preserve Anchor Bay (Completed)

The Coastal Heritage Preserve (CHP) is the largest undeveloped, unfragmented tract of land on West Galveston Island. Acquiring parcels within the CHP project area contributes to ongoing efforts to maintain the physical and biological integrity of Galveston Island and the productivity of West Bay. The CAP provided due diligence funding to Artist Boat to facilitate a 75-acre tract acquisition of land adjacent to West Galveston Bay, within the proposed Anchor Bay development. The Artist Boat closed on the tract in July 2021.

Coastal Heritage Preserve Middle Tracts (Ongoing)

The CHP is the largest undeveloped, unfragmented tract of land on West Galveston Island. Acquiring parcels within the CHP project area contributes to ongoing efforts to maintain the physical and biological integrity of Galveston Island and the productivity of West Bay. The CAP provided due diligence funding to Artist Boat to facilitate a 45-acre tract acquisition of land between Stewart Road and FM3005 (Sixth Addition). This land is owned by the Marquette Development company and is part of a long-term plan

to conserve several hundred acres of land as additions to the existing Coastal Heritage Preserve. Closing on this tract is scheduled to occur in December 2021.

High Island (Completed)

The High Island project consists of multiple tracts of land in the community of High Island, in and around the Houston Audubon Society's (HAS) existing conservation lands. HAS is working with the owner, British Petroleum, to accept these lands as part of a bargain sale transaction and incorporate these tracts into their conservation programs. CAP investment helped fund the land survey that identified property boundaries and existing encumbrances on the parcels. HAS closed on the tract in January 2021.

Dollar Bay Fee Simple Acquisition (Completed)

The Dollar Bay project utilized funds from GLOs GOMESA funding and private foundation funding to purchase 106 acres in Galveston County. Acquisition funding was secured from the Coastal Management Program, which is administering GOMESA funds, and was selected as a "Project of Special Merit." This acquisition project is located directly adjacent to a large wetland restoration and creation project underway in Dollar Bay and will help ensure the long-term success of that project. The landowner held an active permit to develop the property into a waterfront community that would threaten the ecological values of the area. The landowner sold the property to GBF at a bargain sale, less than the fair market appraised value. GOMESA prohibits an NGO from holding the title to land acquisition projects, so GBF negotiated with the city of Texas City to hold fee title, while GBF protected the property with a conservation easement and secured a management agreement to steward the property for the identified conservation values. GBF closed on the tract in January 2021.

Angleton Prairie Fee Simple Acquisition (Completed)

In 2019, GBF acquired 35 acres of high-quality coastal prairie on the Angleton Prairie in Brazoria County. This high-quality prairie is under the immediate threat of development to small acreage ranchettes and unrestricted development. In 2020, GBF was able to secure ownership of 79 adjacent acres of habitat. In 2021, GBF completed the third and final phase of this project by acquiring the last 10 undeveloped acres of the Angleton Prairie. Funding for the acquisition was provided by NAWCA and private donations. The total preserve area is 124 acres and will eventually be protected by a conservation easement held by the USFWS as part of the Brazoria NWR. The property has been renamed as Flo Hannah Prairie to honor a long-time conservationist that worked in the region. GBF closed on the final tract in February 2021.

Gordy Marsh – Phase 2 (Ongoing)

The Gordy Marsh project is a phased effort to protect up to 3,500 acres of high-quality coastal prairie and wetland habitats near Smith Point in Chambers County, adjacent to Trinity Bay and Lone Oak Bayou. Phase 1 was successful in conserving 1,739 acres with

a conservation easement. Future phases will be focused on acquiring fee simple interest in unprotected property first, then the underlying fee interest of the conservation easement area. After proposals to various Deepwater Horizon related funding sources have failed, GBF is partnering with the Conservation Fund and USFWS Anahuac NWR to implement an acquisition project that will incorporate this property into the Moody NWR.

Armand Bayou (Ongoing)

The Armand Bayou project is focused on purchasing land in the upper Armand Bayou watershed in Harris County. Partners involved in the project include Harris County Pct. 2, Harris County Flood Control District, and Armand Bayou Nature Center. Primary funding targets include RESTORE, NRCS Conservation Easement Programs, and other funds tied to Hurricane Harvey/Federal Emergency Management Agency recovery. The CAP has pledged due diligence funding to pay for an initial appraisal and provide regional support and help initiate project development efforts.

Follets Island (Ongoing)

The Follets Island Coastal Management Area was created by TPWD to set aside critical barrier island and coastal wetland habitats. GBF has coordinated with funding partners and TPWD to expand upon previous conservation efforts on Follets Island. Fiscal 2021 efforts focused on securing purchase agreements, appraisals, and other transactional due diligence for three tracts known as Huang, Munson, and RES. If these tracts are acquired, they will be immediately transferred to TPWD and included in the existing coastal management area.

West Bay Additions to the Chocolate Bay Preserve (Ongoing)

The West Bay Additions project was developed during the process to acquire the Chocolate Bay Preserve. Four adjacent tracts were identified as having significant connectivity with the brackish marsh complex within the Preserve and communications with landowners suggested that an acquisition project was feasible. GBF is working to execute purchase agreements for each of the four identified tracts of land and will utilize private funding to acquire over 500 acres of high-quality coastal habitats. If successful, closing is anticipated in April or May 2022.