

To:

MEMORANDUM

Date: August 16, 2023

The Honorable Chair and Members

Pima County Board of Supervisors

From: Jan (esher) County Administrator

Re: Conservation Land Acquisition Fund - Progress Report Number 4

The Board of Supervisors (Board) included \$2 million in the adopted Fiscal Year (FY) 2022/2023 budget for acquisition of conservation land and allocated another \$2 million for FY 2023/2024. Attached is the fourth progress report from the internal Conservation Land Acquisition Team (CLAT) with updates on the status of allocated funding, previously recommended properties, and new recommendations for acquisition.

Under my previous direction, CLAT has been pursuing acquisition of nine properties (15 parcels, 388 acres). Three acquisitions have been completed per Board-approved acquisition agreements adding approximately 50 acres to the County's Conservation Land portfolio. Negotiations and due diligence on the remaining six properties are progressing with at least two acquisition agreements expected to go to the Board by mid-September.

The projected expenditure of the FY 2022/2023 budget allocation is \$1,522,744 accounting for the three acquisitions and estimated costs to complete on-going negotiations with another three property owners. The remaining FY 2022/2023 balance (\$477,256) along with the FY 2023/2024 allocation generates a \$2,477,256 funding capacity for acquisition of additional conservation land.

Additionally, all documents necessary to execute the Habitat Conservation Plan (HCP) grant awarded by the U.S. Fish and Wildlife Service are now in place. The County can seek reimbursement for acquisition costs for grant eligible properties. Reimbursed funds will be directed back to the Conservation Land Acquisition Fund.

Two new properties are being advanced for acquisition and were evaluated using the expanded selection criteria that allows for consideration of Arizona State Trust lands and acquisition of partial property rights including grazing leases. In total, they would add approximately 23,708 acres to the County's Conservation Land portfolio. The Empirita Ranch State Grazing Lease bringing 23,468 acres of leased land and the Old Seco Headquarters adding 240 acres of fee property.

These acquisitions would represent a continued advancement of the Sonoran Desert Conservation Plan (SDCP's) goals for ranch conservation and functional habitat and biological corridors, especially. Both acquisitions would resolve significant ranch management issues that stem from different ownership of the ranch fee properties and grazing leases and reconstitute the ranches allowing for better operation and stewardship.



The Honorable Chair and Members, Pima County Board of Supervisors

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The Empirita Ranch State Grazing Lease would bring a large, landscape scale property under the County's control facilitating unification of the Empirita Ranch. The Old Seco Headquarters would further cement the County's substantial investment in securing the vast Rancho Seco working landscape and be re-established as the ranch headquarters.

I have approved staff's recommendations to:

- Close escrow and complete acquisition of the Redstone property by the end of August 2023.
- Subject to Board of Supervisors approval on August 21, 2023, proceed with the Purchase Agreement for the Christensen property.
- Place a Purchase Agreement for the Land property on a September 2023 Board agenda.
- Continue discussions with the owners of Larsen and Parklands Foundation properties
 to determine acceptable purchase terms. Should these negotiations succeed,
 purchase agreements will be drafted and submitted to the Board through the normal
 processes.
- Subject to Board of Supervisors approval on August 21, 2023, proceed in exercising the Right of First Refusal to acquire the Old Seco Headquarters property.
- Initiate negotiations with the rancher who holds the Empirita State Grazing Lease. Should negotiations succeed, a purchase agreement would be submitted to the Board through the normal processes. The purchase agreement would be conditional and subject to Arizona State Land Department (ASLD's) final authorization to transfer the lease to Pima County.

JKL/je

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer
Steve Holmes, Deputy County Administrator
Linda Mayro, Director, Office of Sustainability and Conservation
Victor Pereira, Director, Natural Resources Parks and Recreation
Nicole Fyffe, Senior Advisor, County Administrator's Office



Date: August 16, 2023

From: Linda Mayro, Director W

Sustainability and Conservation

To: Jan Lesher

County Administrator

Thru: Carmine DeBonis, Jr.

Deputy County Administrator, Public Works

Re: Conservation Land Acquisition Fund – Progress Report No.4

This memo is the fourth in a series of updates pertaining to progress toward expending the Board of Supervisors' (Board) FY2022/2023 Budget allocation of \$2 million for the acquisition of conservation land and the additional \$2 million allocated in their adoption of the FY2023/2024 Budget.

Previously, your <u>September 12, 2022 memo</u> to the Board presented guidelines to evaluate properties for potential acquisition with the FY 2022/2023 allocation and directed that a Conservation Land Acquisition Team (CLAT) carry out those evaluations. Subsequent updates occurred <u>October 20, 2022</u> and <u>December 6, 2022</u>. The latest update of <u>June 1, 2023</u> expanded the set of Preferred Selection Criteria to allow consideration of State Trust land and partial property rights.

This memo provides updates on Conservation Land Fund expenditures and funding capacity, status of properties previously presented, and presents new properties CLAT finds suitable for acquisition.

Expenditures and Acquisition Funding Capacity

As of July 25, 2023, a total of \$1,187,374 has been expended. Three properties (5 parcels, 50.4 acres) have been acquired; one property (8.4 acres) is in escrow expected to close mid-August. Negotiations with three property owners are on-going and assuming the Board approves the future purchase agreements, these acquisition costs would add an estimated \$335,370 bringing total expenditures for the FY2022/2023 allocation to approximately \$1,522,744.

The remaining FY2022/2023 balance (\$477,256) along with the recent FY2023/2024 allocation generates a \$2,477,256 funding capacity for acquisition of additional conservation land.

With the Board's July 25th approval of the subrecipient intergovernmental agreement for the Habitat Conservation Plan (HCP) grant awarded by the U.S. Fish and Wildlife Service (Service), approximately \$30,570 of the acquisition costs for the Redstone property that is currently in escrow (details below) would go back into the conservation land acquisition fund.

Update on Previously Presented Properties

To date, you have granted permission for CLAT to pursue acquisition of nine properties (15 parcels, 388 acres). Their status is shown below.

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For reference, prior updates provide extensive background details on each of these properties and will not be repeated here.

Property	# parcels/acres	Acquisition Cost (real or estimated)	Status
The Nature Conservancy	3 parcels/20 ac	\$289,320	Acquisition completed 3/31/2023
Tuck 20	1 parcel/20 ac	\$41,750	Acquisition completed 5/8/2023
Buckelew In- holding	1 parcel/10.4 ac	\$734,000	Acquisition completed 7/3/2023
Redstone *	1 parcels/8.4 ac	\$124,292	7/25/2023 Board approved Purchase Agreement; Currently in escrow; expected to close mid-August
Larsen *	1 parcel/4.1 ac	\$113,000	7/25/2023 Acquisition documents sent to owner
Christensen	1 parcel/4.1 ac	\$92,500	Purchase agreement is on the Board's 8/21/2023 agenda
Banda	1 parcel/5.3 ac	\$78,000	No progress due to difference of opinion on property's monetary value.
Parklands Foundation	5 parcels/311	\$1,063,000	In preliminary discussion
Lande	1 parcel/5.3 ac	\$125,150	Schedule purchase agreement for a September 2023 Board agenda

^(*) denotes properties where acquisition costs are reimbursable under the federal HCP Grant.

New Properties Suitable for Acquisition

Two properties totaling 23,708 acres have been identified as suitable for acquisition since the last update. Both have been evaluated using the expanded selection criteria that allows for consideration of Arizona State Trust lands and acquisition of partial property rights including grazing leases. CLAT believes both would be advantageous additions to the County's Conservation Land portfolio and both would resolve significant ranch management issues that the Natural Resources, Parks and Recreation Department (NRPR) is encountering in the respective situations that are largely due to different ownership of the ranch fee property and the grazing leases. Acquiring the Old Seco Headquarters at

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Rancho Seco would add two privately owned parcels containing the facilities and infrastructure previously used as ranch headquarters to the County's Rancho Seco holdings.

The Arizona state grazing lease portion of the Empirita Ranch is leased to the same private entity that leases the Regional Flood Control District's (District) Empirita Headquarters. If the state grazing lease is acquired, the County and District would control nearly all of the ranch. Both properties provide the opportunity to reconstitute the ranches allowing for better operation and stewardship. Both are in the Conservation Lands System (CLS) and collectively support multiple Sonoran Desert Conservation Plan (SDCP) elements.

Details about the characteristics of these new properties can be found in the attached completed checklists.

Empirita Ranch – State Grazing Lease

The Empirita Ranch state grazing lease is in Supervisor District 4, covers approximately 23,468 acres, is a mapped Acquisition Priority (State Habitat Protection Priority), and the current lease holder is interested in selling the lease to the County. The District was granted legal and physical access to the Empirita Headquarters via Arizona State Land Department (ASLD) right-of-way Lease 16-89526. The subject grazing lease is accessible through the Empirita Headquarters. Real Property Services (RPS) has ordered an appraisal of the state grazing lease; results are pending.

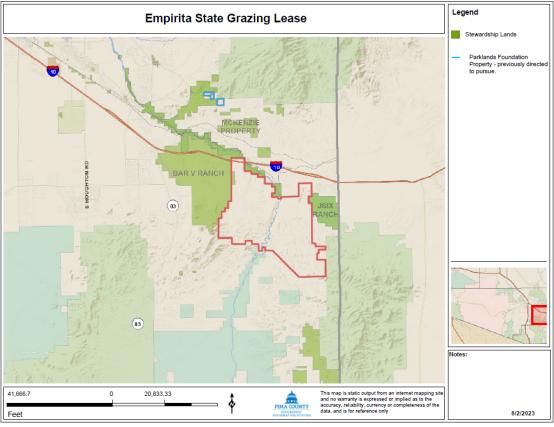


Figure 1. Empirita State Grazing Lease location showing relationship to County Conservation Lands.

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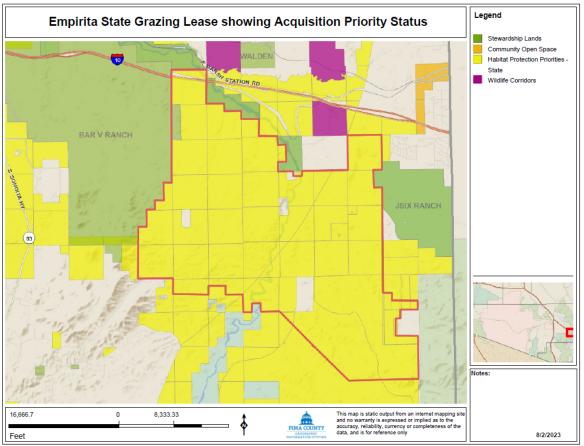


Figure 2. Empirita State Grazing Lease Acquisition Priority status.

The Empirita Ranch state grazing lease abuts the 360-acre Empirita Ranch headquarters purchased by the District in 1992 with funding from the Floodprone Land Acquisition Program. As the District's purchase only secured the fee property, the state and federal grazing leases have been held by privately entities for many years. The ASLD does not require a grazing lease holder to own the fee land, or base property, affiliated with the state lease as is the case in this situation. Also, the entity that controls the Empirita state grazing lease uses it to anchor possession of the approx. 1,500-acre Bureau of Land Management grazing lease.

This large acreage lease has high biological value. It falls entirely within the CLS (Figure 3) with the majority designated as Biological Core Management Area and a more limited area in the southeast portion of the lease falling into the Multiple Use Management Area. Important Riparian Areas also occur throughout the lease area, the most notable being Cienega Creek. The lease area contains at least five springs and encompasses a significant expanse of the Cienega Creek watershed. It is a major contributor to the viability of the Interstate-10/Cienega Creek Critical Landscape Connection and supports wildlife movement between the Rincon, Whetstone, and Santa Rita Mountains which the Arizona Game and Fish Department (AGFD) defines as a critical wildlife movement corridor (Figure 4).

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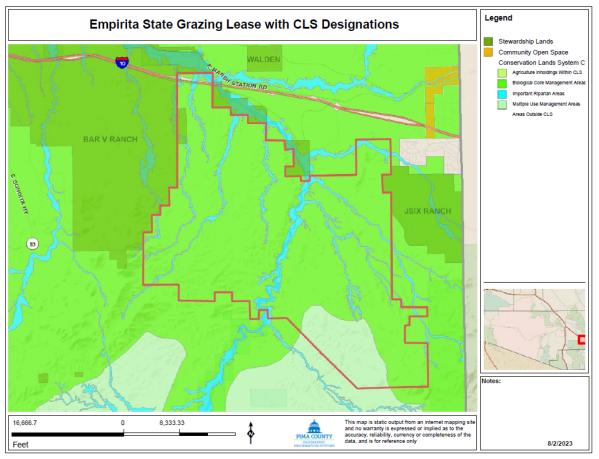


Figure 3. Empirita State Grazing Lease and Conservation Lands System status.

Dispersed recreation opportunities occur on the lease property as allowed by the ASLD. Primary recreational uses include hiking, hunting, horseback riding and off highway vehicle travel. Several single-track trails identified in Pima County Trails Master Plan transect the grazing lease including Cherry Canyon, Cienega Creek, Total Wreck, and Whetstone Stage Line. To access their intended destinations, some recreationists need to cross through the District's Empirita Ranch headquarters property and must obtain a permit from NRPR. NRPR restricts the issuance of daily vehicle permits to limit recreational impacts and control potential vandalism incidents. Routes through the District and County fee properties are one of the key routes into the Whetstone Mountains within the Coronado National Forest. Other opportunities to recreate on lands within the lease are currently limited due to the current lease holder's protesting the County's acquisition of a 30-year right of way from the ASLD.

Based on the lease area's proximity to known Priority Archaeological Site Complexes, there is a high likelihood that cultural resources (Ancestral Native American and Historic sites) occur within the subject lease area. Also, the lease area has potential for the presence of archaeological resources given the demonstrated relationship between those resources and riparian areas. Areas along Cienega Creek, for example, are considered as high archaeological sensitivity areas.

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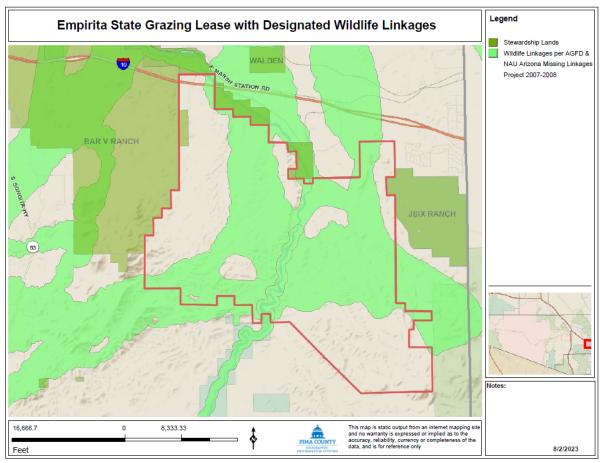


Figure 4. Empirita State Grazing Lease and AGFD Critical Wildlife Movement Corridors.

The primary management challenges derive from managing the Empirita Ranch without having control of the grazing leases, especially the state grazing lease. Although the District has control over the Empirita Ranch Headquarters, neither the District or NRPR can ensure that grazing practices on the state lease achieve the desired rangeland health conditions prescribed by Pima County Rangeland Standards and Guidelines which is of particular concern in times of drought. There is also no ability to maintain livestock management related range improvements which raises concerns about inappropriate livestock concentrations and impacts to sensitive areas, wildlife movement areas, and water for wildlife.

Acquisition of the Empirita state grazing lease is a unique moment of opportunity to secure a large, landscape scale property that significantly advances the biological and cultural heritage goals of the SDCP. Acquisition would also ultimately enable the County to re-assemble and holistically manage the 25,728-acre Empirita Ranch.

Should the County not acquire the state grazing lease, the current lease holder could retain the lease or sell the lease to another rancher. Per the ASLD lease, whoever holds the lease has a preferential status for lease renewal, and the County would be in a weak position to vie for the lease in 2031 when the current lease expires with few, if any, options to re-unify and consolidate management of the Empirita Ranch.

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Old Seco Headquarters

The Old Seco Headquarters (Old Seco HQ) is in Supervisor District 3. It is approximately 240 acres and is not a mapped Acquisition Priority. The current property owner is a willing seller, and acquisition would include a well and associated water rights. Other on-site developments are typical of a ranch headquarters and range improvements. Old Seco HQ facilities include a main ranch house, 2 other homes, shop, barn, and corrals. Range improvements such as fences, wells, stock tanks, and shipping corrals are also noted. Records also suggest that Pima County has legal and physical access which will need to be verified as part of the acquisition process.

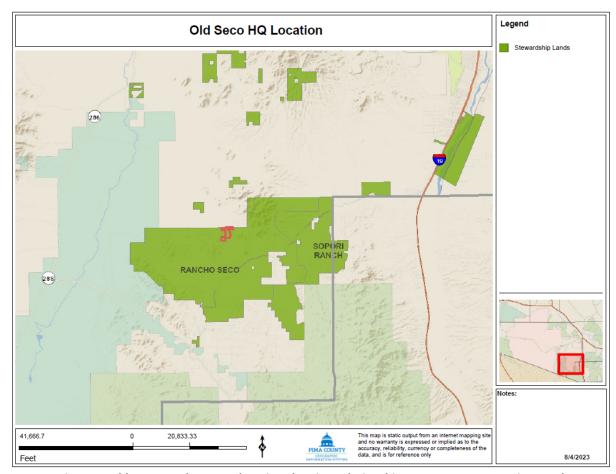


Figure 5. Old Seco Headquarters location showing relationship to County Conservation Lands.

In 2005, the County acquired 9,574 acres of private property within the Rancho Seco complex and secured nearly 27,000 acres of state and federal grazing leases. About this same time, the County was granted a Conservation Easement and a Right of First Refusal (ROFR) to another 478 acres of other private holdings within the ranch complex including the subject property. The Conservation Easement serves to preserve the property as natural open space and maintain its value as wildlife habitat. While it allows the owner of the fee property to maintain and graze livestock, it does not give the County any right to independently use the property as part of County ranching operations.

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For a period of time the owner of the 240-acre Old Seco HQ fee property partnered with NRPR and participated in a Ranch Management Agreement (RMA) to continue their operation of an active cattle ranch utilizing the County's state and federal grazing leases. However, when the property owner elected to not renew the agreement, they effectively created a private in-holding in the County's Rancho Seco ranching operation removing access to vital headquarter facilitates and infrastructure.

Staff recently learned that the property owner initiated a contract with a third party to purchase the Old Seco HQ for \$1.2 million; this triggered the County's option to exercise the ROFR. RPS submitted notice to the property owner on July 21, 2023, that the County desires to exercise the ROFR at the stated price of \$1.2 million. In keeping with the terms of the ROFR, RPS will need Board approval. Consideration to proceed with the ROFR process is scheduled for the Board of Supervisors August 21, 2023, meeting. RPS has also ordered an appraisal; results are pending.

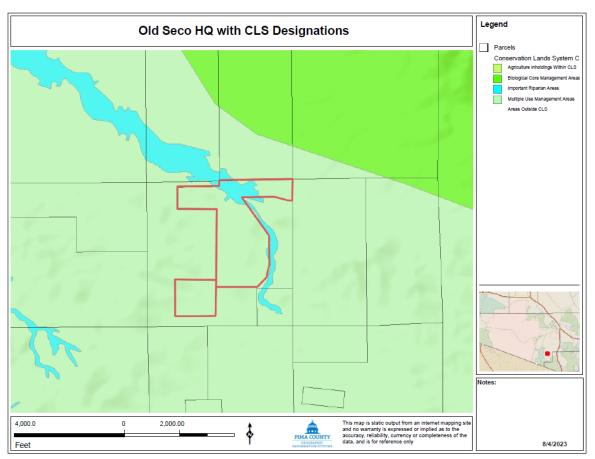


Figure 6. Old Seco Headquarters and Conservation Lands System status.

The Old Seco HQ, like most of Rancho Seco, lies within the CLS. Except for the Important Riparian Area designation associated with the Bolas Blancas Wash, the subject property falls entirely within the Multiple Use Management Area designation. The subject property also falls within the Sierrita Mountains Wildland Block that AGFD and local experts identified as a broad area of wildlife movement between the Sierrita Mountains and the Buenos Aires National Wildlife Refuge.

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Based on information available to staff, not much, if any, recreational use occurs on the Old Seco HQ. No trails identified in Pima County's Trails Master Plan occur in this general region. However, the County's Rancho Seco property is open to permitted diffuse recreational activities such as hunting, horseback riding, hiking, off-highway vehicles touring, and wildlife viewing. If acquired and except for those areas needed for administrative use, the subject property would be open to recreational activities and public access providing similar recreation opportunities to those of the County's Rancho Seco property.

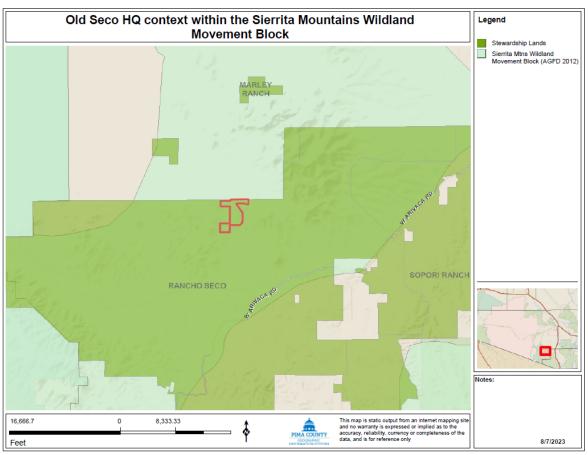


Figure 7. Old Seco Headquarters and AGFD Wildland Movement Block.

Although there is no indication that the Old Seco HQ has been surveyed for archaeological resources, there is evidence from nearby County-owned lands that archaeological resources could occur on the HQ property. There is also at least one Ancestral Native American heritage site with potential for additional sites.

The current property owner's decision to not renew a ranch management agreement (RMA) with the County effectively created a private in-holding in the County's Rancho Seco ranching operation removing access to vital headquarter facilitates and infrastructure. NRPR has since entered into an RMA for use of the County 's Ranch Seco state and federal grazing leases with a new ranch partner headquartered offsite. While ranch management can be conducted from these off-site headquarters, it is not ideal and impacts management effectiveness and efficiency. The private in-holding creates issues with accessing the County's Rancho Seco fee and lease lands. Also, now that the livestock shipping facilities located on

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the in-holding are not available, there is a need to install such facilities elsewhere on other Countyowned fee land.

Because of its ROFR, the County has a unique opportunity to acquire 240 acres containing ranch headquarter facilities and infrastructure that once enabled the efficient and effective management of Rancho Seco ranching operations. Acquisition of the subject property would re-assemble the ranch and allow headquarter operations to be re-established on site, remove access issues, and avoid the costs of establishing new livestock shipping facilities on other County-owned property. The Conservation Easement does not offer an alternative remedy to these issues.

Next Steps

Subject to your approval, staff intends to pursue the following:

- Close escrow and complete acquisition of the Redstone property by the end of August 2023.
- Subject to Board of Supervisors' approval on August 21, proceed with the Purchase Agreement for the Christensen property.
- Place a Purchase Agreement for the Lande property on a September 2023 Board agenda.
- Continue discussions with the owners of Larsen and Parklands Foundation properties to determine acceptable purchase terms. Should these negotiations succeed, purchase agreements will be drafted and submitted to the Board through the normal processes.
- Subject to Board of Supervisors' approval of the resolution on August 21, proceed in exercising the Right of First Refusal to acquire the Old Seco HQ property.

Initiate negotiations with the rancher who holds the Empirita State Grazing Lease. Should
negotiations succeed, a purchase agreement would be submitted to the Board through the
normal processes. The purchase agreement would be conditional and subject to ASLD's final
authorization to transfer the lease to Pima County.

Concur Do Not Concur

8/16/2023

08/16/2023

Carmine DeBonis, Jr.

Deputy County Administrator, Public Works

Jan Lesher, County Administrator

Approve / Do Not Approve

cc: Victor Pereira, Director - NRPR
Eric Shepp, Director - RFCD
Jeff Teplitsky, Director - Real Property Services
Conservation Land Acquisition Team Members

Attachment 1:

Evaluation of Empirita State Grazing Lease Acquisition Potential

Empirita Ranch State Grazing Lease
Evaluation of July 2023

APN No(s): See attached

Township, Range, Section: T 17S R17E, Sections 2, 11-14, 22-27, 34-36; T17S R18E, Sections 7, 15, 17-22, 27-34; T18S R17E, Sections 1 and 2; T18S R18E, Sections 2-6, 8-11, 14-16.

Current Owner(s): Arizona State Land Department, currently under lease

Requirements for Acquisition Eligibility

Privately owned or State Trust land? (Y/N)
 Yes, State Grazing Lease No. 05-437

Evaluation Parameters

2015 Priority Acquisition Map Status:

Specify 2015 Map category:
 Habitat Protection Priority - State

Transactional Information:

• Willing Seller?

Yes, the current lease holder approached Real Property to see if County is interested in purchasing the state grazing lease; his lease expires March 31, 2031.

- Timeframe for acquisition? (specify: current fiscal year; phased over multiple years; future)
 Current fiscal year FY23-24
- Owner requesting concessions? (Y/N) (e.g., life estate, partial donation, etc.)
 None known at this time.
- Property rights to be acquired? (specify: fee, easement, combination, other).
 State Grazing Lease
- Phase I Assessment related issues/concerns? (Y/N)
 As only a lease would be acquired, a Phase 1 Assessment is not needed.

Property Details:

- Acreage? 23,468 acres of State Grazing Lease
- Approximate distance to nearest County Conservation Land?
 Adjacent to Empirita Ranch Headquarters (owned in fee by the Regional Flood Control District) and is part of Cienega Creek Natural Preserve
- Approximate distance to the nearest Federal or State Preserve?
 Approximately 4 miles north of Las Cienegas National Conservation Area

Empirita Ranch State Grazing Lease
Evaluation of July 2023

- Access? (specify: legal; physical; legal & physical; none)
 Pima County has legal and physical access to the District-owned Empirita Headquarters (ASLD Lease 16-89526) which then provides entry to the subject grazing lease.
- Type and extent of on-site development?
 Range improvements only fencing, wells, water systems, windmills, drinkers.
- Is the subject property an in-holding within an existing County Conservation Land?
 Yes, there is an in-holding situation, but it's the County's Empirita Ranch fee property that is the in-holding. Regardless, having the subject lease property under non-County ownership fragments land, livestock grazing management, and resource management that can be remedied when the Empirita Ranch fee and state grazing lease lands are consolidated under County control.

SDCP Elements:

<u>Critical Habitats & Biological Corridors – List all applicable CLS categories:</u>
 Most of the leased land is designated as Biological Core Management Areas except for a portion of the southeastern area which falls within Multiple Use Management Areas. This lease also includes substantial areas of Important Riparian Areas, with a portion of Cienega Creek and parts of eight of its tributaries. The entire subject lease area also falls within the Interstate-10 / Cienega Creek Critical Landscape Connection.

At least five riparian spring sites are also included in this property. Acquisition and subsequent management of this grazing lease will provide significant benefits to the Cienega Creek watershed and the many sensitive species, including those covered by the MSCP, that occur there. The lease is also within a critical wildlife movement corridor that lies between the Rincon, Whetstone, and Santa Rita Mountains (AGFD 2006, revised).

The subject grazing lease is entirely within the conceptual Cienega Valley – Empire Ranch Reserve identified in the County's 2011 publication *Protecting Our Land, Water, and Heritage: Pima County' Voter-Supported Conservation Efforts.*

• Mountain Parks & Recreation – Does the property have potential to expand existing or create new recreational opportunities?

Yes, the Empirita headquarters property provides access to the State grazing lease and other public lands in the area. NRPR grants access via a free permit. A limited number of vehicle permits are available each day to limit impacts of recreational use and control potential vandalism incidents. Primary recreational uses include hiking, hunting, horseback riding and off highway vehicle travel. The potential for increased recreation is high. Other access to State Trust lands on the Empirita grazing lease are restricted due to the current rancher protesting Pima County's acquisition of 30-year ROW from the State Land Department.

Empirita Ranch State Grazing Lease
Evaluation of July 2023

Several single-track trails identified in Pima County Trails Master Plan transect the subject grazing lease including Cherry Canyon, Cienega Creek, Total Wreck, and Whetstone Stage Line.

- Ranch Conservation Is Property part of an existing ranch or farm?
 Yes, Empirita Ranch.
- <u>Historical & Cultural Preservation List applicable SDCP modeled cultural sensitivity categories</u> (high; medium; low; none):

Within the subject grazing lease, areas lying some distance away from the washes fall within a zone of low archaeological sensitivity. However, areas along major washes, such as Cienega Creek, are considered high archaeological sensitivity areas. Also, areas along tributaries are within areas of both high and medium archaeological sensitivity.

Two Priority Archaeological Site Complexes, one along Cienega Creek at the northern end of the subject lease and one just to the south, contain most of the identified cultural sites in this general area. There is a high likelihood that cultural resources (Ancestral Native American and Historic sites) occur within the subject lease area.

Riparian Areas – List classifications of applicable mapped riparian areas under Pima County Code
 Chapter 16.30, Watercourse and Riparian Habitat Protection and Mitigation Requirements:
 The subject lease contains extensive acreage of Important Riparian Areas that include hydroand mesoriparian habitat (Class H) as well as considerable areas of xeroriparian habitat (class B, C, and D). At least five riparian spring sites also occur within the subject lease area.

Cost:

- Asking Price less than or equal to Real Property Budget Estimate? (Y/N)
 Real Property has ordered an appraisal of the State grazing lease, valuation is pending.
- List potential funding sources (e.g., grants, LWCF):
 Conservation Lands Acquisition Fund
- Estimated Monitoring/Management cost per acre?
 Costs cannot be accurately assessed until NRPR has access to the subject lease.
- List management concerns (e.g., OHV use, social trails, dumping, homeless encampments, invasive species, etc.):
 - Preliminary concerns include unauthorized immigration traffic, OHV use in washes, maintaining fencing along Cienega Creek and Davidson Canyon riparian areas, invasive species.

Additional Information:

Fee title to the 360-acre Empirita Ranch Headquarters was acquired by the Regional Flood Control District (District) in April 1992 using FLAP funding and is an integral component of the Cienega Creek Natural Preserve. The District's Empirita Ranch Headquarters parcel is composed solely of the main ranch

Empirita Ranch State Grazing Lease
Evaluation of July 2023

headquarters, nearby building structures used for ranching purposes, and transected by Cienega Creek. The 1982 acquisition did not include the state grazing lease (23,468 acres) nor the BLM grazing lease (approx. 1,500 acres). Upon acquisition of the state grazing lease, the County would be eligible to acquire the BLM Empirita grazing lease, as the state lease serves as the base property for the BLM lease. This would ultimately enable the County to re-assemble and holistically manage the 25,348 ac Empirita Ranch.

The District currently leases the Headquarters property that includes 2 ranch houses and associated ranch buildings under a separate month to month residential/caretaker lease. RFCD would terminate this month-to-month lease following the County's acquisition of the state grazing lease and coordinate with NRPR to transfer ownership to the County in exchange for equally valued lands elsewhere. NRPR would also initiate a search for a new ranch partner and formalize a new Ranch Management Agreement to restore holistic, conservation-minded management to this important ranch.

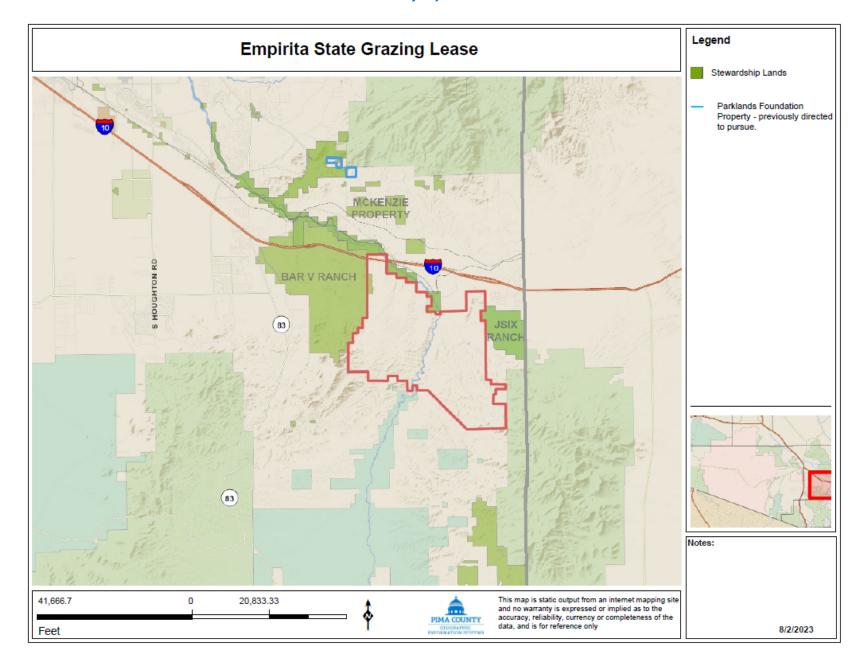
Summary:

Acquisition of the Empirita Ranch 23,468-acre state grazing lease would advance all elements of the SDCP and position the County to ultimately consolidate control and management of this large historic ranch following receipt of the approx. 1,500-acre BLM lease. However, even without the BLM lease, the County would control 23,828 acres completing an important connection between the federal Las Cienegas National Conservation Area and the County's Cienega Creek Natural Preserve. This would enhance conservation of the Cienega Creek watershed and promote landscape connectivity critical to an intact cultural landscape and the movement of many sensitive species between the Rincon, Whetstone, and Santa Rita Mountains, including those covered by the MSCP.

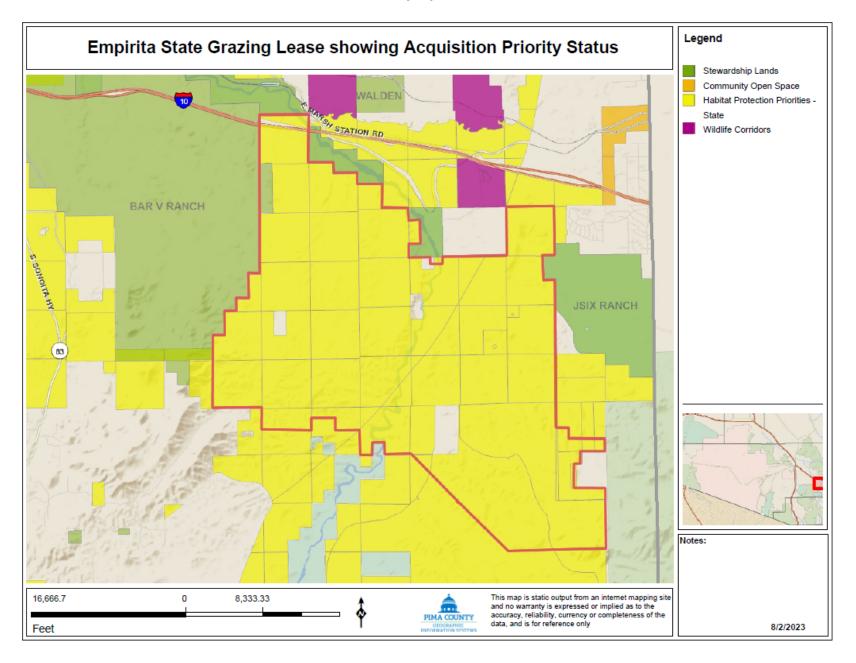
Acquisition of the Empirita state grazing lease is a unique moment of opportunity to address the separation of Empirita fee and state and federal lease lands which has existed since 1992. The current lease holder is interested in selling the lease to the County which is a transaction allowable under Arizona State Land Department rules. Should the County not take advantage of this opportunity, the current lease holder could retain the lease or sell the lease to another. Since whoever holds the lease would have preferential status for lease renewal, the County would be in a weak position to vie for the lease in 2031 when the current lease expires with few, if any, options to re-unify the Empirita Ranch bringing it under consolidated control.

:mpirita State Grazir	ng Lease - Parcel List
Portion of 30615002B	306180400
Portion of 30615006A	306180410
30615006B	306180420
30615006C	306180430
306150300	306180440
306150310	306180450
306150320	Portion of 30621018B
306150400	Portion of 306210620
306150410	30628002B
306150420	Portion of 306280020
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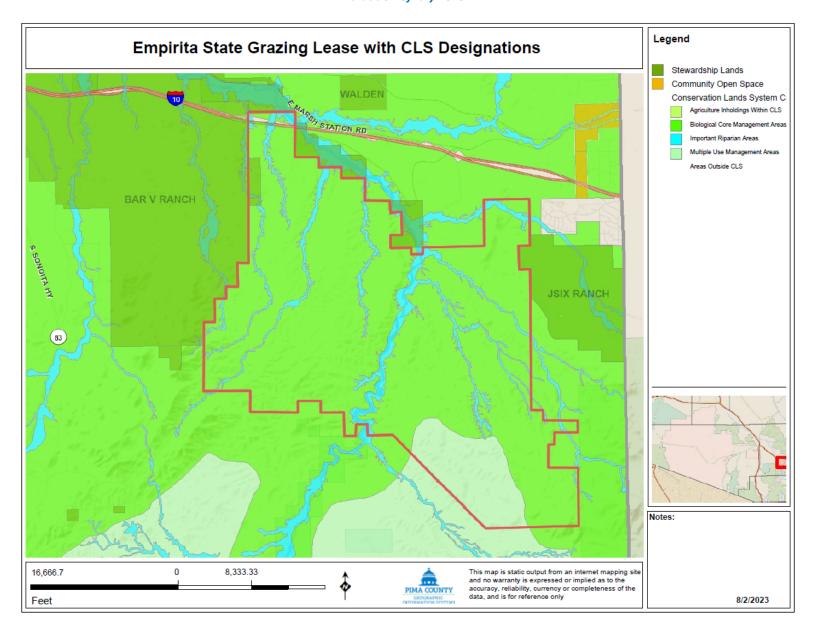
CONSERVATION LAND FY23-24



CONSERVATION LAND FY23-24



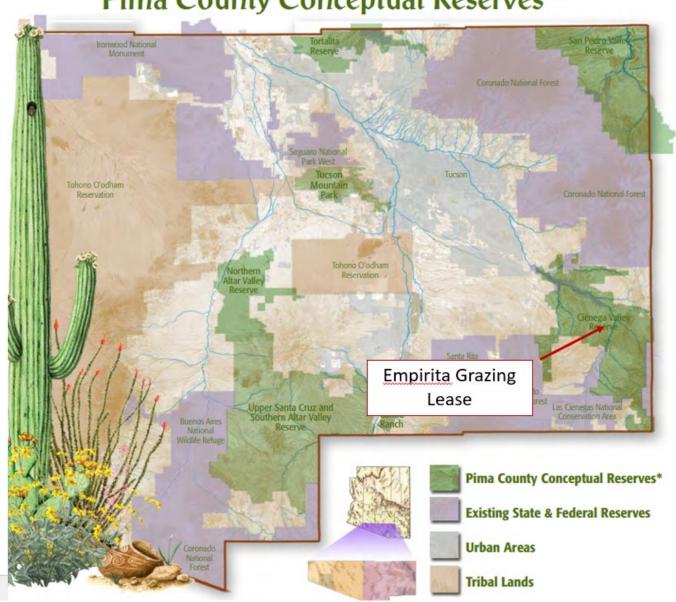
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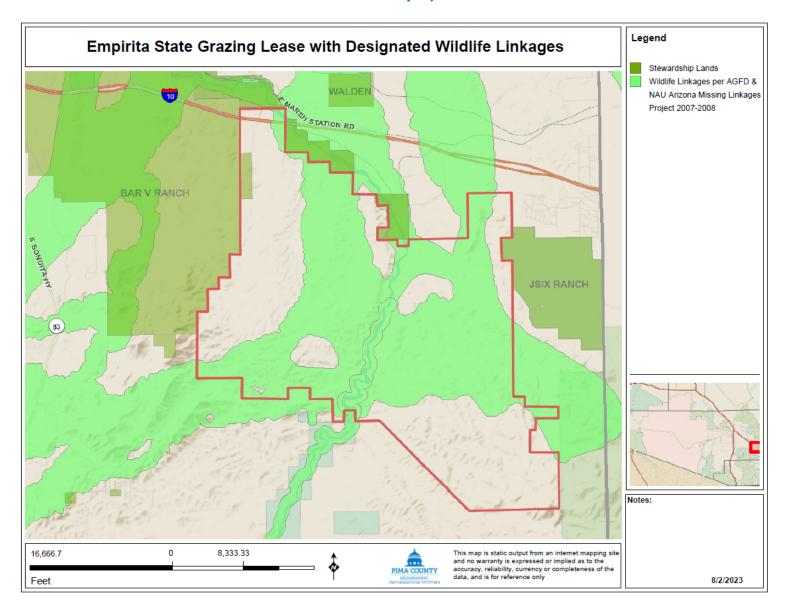
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Empirita Ranch State Grazing Lease
Evaluation of July 2023

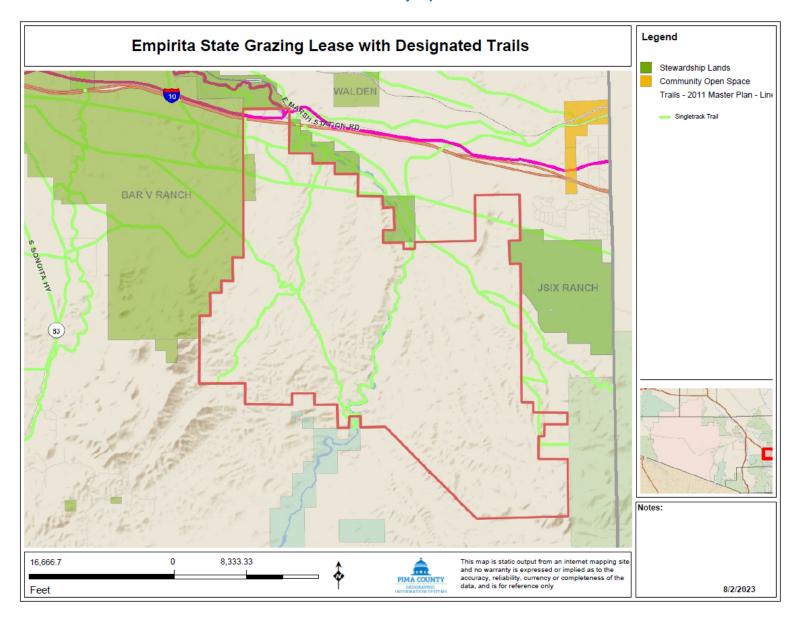
Pima County Conceptual Reserves *



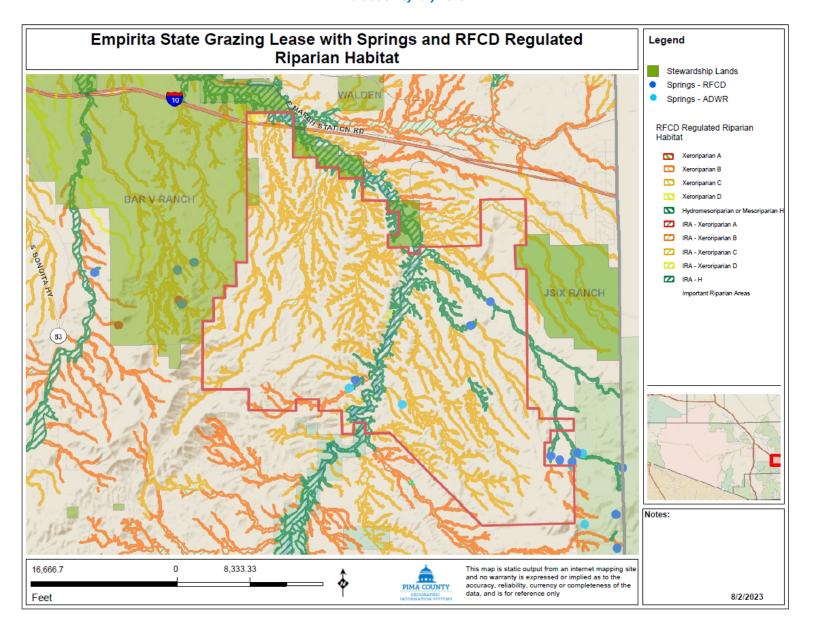
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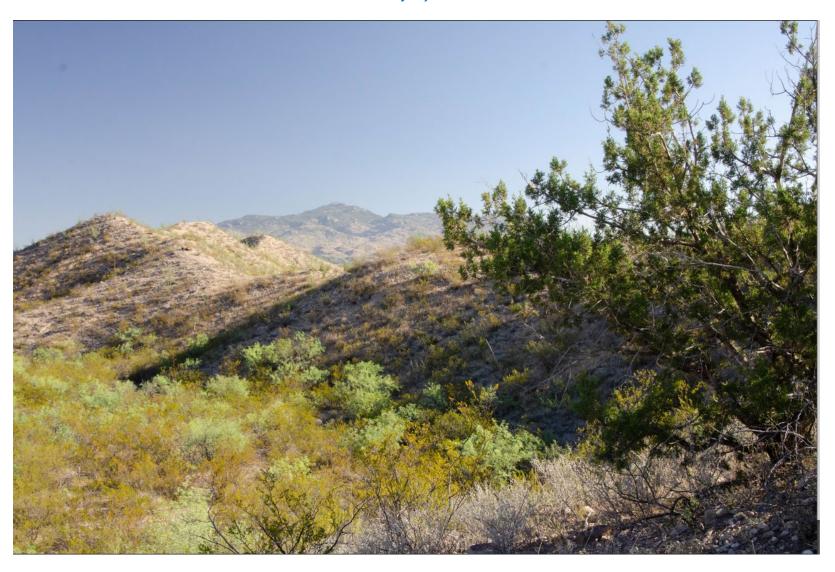
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Attachment 2:

Evaluation of Old Seco Headquarters Acquisition Potential

Old Seco Headquarters Evaluation of July 2023

APN No(s): 30208002F, 30208003K

Township, Range, Section: Township 20S, Range 10E, Section 14

Current Owner(s): Rancho Seco LLC

Requirements for Acquisition Eligibility

Privately owned or State Trust land? (Y/N) Yes

Evaluation Parameters

2015 Priority Acquisition Map Status:

• Specify 2015 Map category: None

Transactional Information:

• Willing Seller? (Y/N)

Yes, the County holds a Right of First Refusal (ROFR) that was triggered in July 2023 subsequent to the owner entering into a contract with a third party to lease/purchase the property.

- Timeframe for acquisition?
 Current fiscal year FY23-24
- Owner requesting concessions? (Y/N) (e.g., life estate, partial donation, etc.)
 None known at present
- Property rights to be acquired? (specify: fee, easement, combination, other).
 Fee title to 240 acres
 Water rights associated with and ownership of the Shirley well located on parcel 30208002F.
- Phase I Assessment related issues/concerns? (Y/N)
 Phase I assessment has not yet been ordered; issues TBD.

Property Details:

- Acreage 240 acres
- Approximate distance to nearest County Conservation Land?
 The subject property's east, west, and southern boundaries are adjacent to the County's Rancho Seco fee property.
- Approximate distance to the nearest Federal or State Preserve?
 The subject property is approximately 4 miles east of the Buenos Aires National Wildlife Refuge.

Old Seco Headquarters Evaluation of July 2023

- Access? (specify: legal; physical; legal & physical; none)
 Records suggest that Pima County has legal and physical access which will need to be verified upon acquisition.
- Type and extent of on-site development?
 On-site development is limited to facilities and structures typical of a ranch headquarters and range improvements. The headquarter facilities include a main ranch house, 2 other homes, shop, barn, and corrals. Range improvements such as fences, wells, stock tanks, and shipping corrals are also noted.
- Is the subject property an in-holding within an existing County Conservation Land?
 Effectively, yes, as the County's Rancho Seco fee lands and attendant state grazing lease lands surround the Old Seco HQ property on 3 sides.

SDCP Elements:

<u>Critical Habitats & Biological Corridors – List all applicable CLS categories:</u>
 Except for the Important Riparian Area designation associated with the Bolas Blancas Wash, the subject property falls entirely within the Multiple Use Management Area designation. The subject property also falls within the Sierrita Mountains Wildland Block that Arizona Game and Fish Department and local experts identified as a broad area of wildlife movement between the Sierrita Mountains and the Buenos Aires National Wildlife Refuge (AGFD 2012).

The subject property is entirely within the conceptual Southern Altar Valley Reserve identified in the County's 2011 publication *Protecting Our Land, Water, and Heritage: Pima County'* Voter-Supported Conservation Efforts.

The vegetation on the subject property is typical of Chihuahuan – Sonoran Semidesert Grassland, ranging from 3,600 to 4,000 feet in elevation with average annual precipitation of 12 to 16 inches. Precipitation levels tracked in precipitation years 2021 and 2022 (October 1 – September 30) were at or above average, while precipitation levels were well below average in 2020. Vegetation is primarily composed of mesquite, catclaw acacia, hackberry, paloverde, rangeland shrubs and perennial grasses.

 Mountain Parks & Recreation – Property has potential to expand existing or create new recreational opportunities?

Yes, the subject property has potential to provide and expand recreational opportunities. Based on information available to county staff, the subject property does not support much, if any, recreation use. No trails identified in Pima County's Trails Master Plan occur in this general region. However, the County's Rancho Seco property is open to permitted diffuse recreational activities such as hunting, horseback riding, hiking, off-highway vehicles touring, and wildlife viewing. If acquired and except for those areas needed for administrative use, the subject property would be open to recreational activities and public access providing similar recreation opportunities to those of the County's Rancho Seco property.

Old Seco Headquarters Evaluation of July 2023

Ranch Conservation – Is Property part of an existing ranch or farm? (Y/N)

The subject property had been under a ranch management agreement with Pima County until its expiration in April 2023. The property owner elected to not renew the ranch management agreement with Pima County and put the ranch up for sale. Due to extended drought the ranch partner had removed all cattle from the ranch several years earlier and had previously put the ranch up for sale in spring 2021.

If acquired, the subject property would be re-integrated into the County's active Rancho Seco ranching operation with the developed ranch headquarter facilities serving as an administrative site available to a ranch partner tenant.

• <u>Historical & Cultural Preservation – List applicable SDCP modeled cultural sensitivity categories</u> (high; medium; low; none):

There are no records indicating that the subject parcel has been surveyed. One known Ancestral Native American heritage site is known from 302-08-002F. There is potential for additional heritage resources, with a high likelihood of evidence of late 19th and early 20th century ranching activities.

Twelve archaeological sites are known from nearby County-owned lands and indicate prehistoric use of the land as early as the Archaic period (~6,000 B.C.) and between A.D. 600 and A.D. 1450. Historical use is known into modern times.

Riparian Areas – List classifications of applicable mapped riparian areas under Pima County Code
 Chapter 16.30, Watercourse and Riparian Habitat Protection and Mitigation Requirements:
 Two types of regulated riparian habitat occur within the subject property. Xeroriparian Class
 A corresponds to Bolas Blancas Wash and smaller stretches of Xeroriparian Class B apply to its
 tributaries.

Cost

- Asking Price less than or equal to Real Property Budget Estimate? (Y/N)
 Real Property has ordered an appraisal, valuation is pending. The purchase price stated in the owner's contract with the third party is \$1.2 million which the County must match to fulfill the ROFR.
- List potential funding sources (e.g., grants, LWCF): Conservation Lands Acquisition Fund.
- Estimated Monitoring/Management cost per acre?
 Costs can be accurately assessed when NRPR has access to the subject property.
- List management concerns (e.g., OHV use, social trails, dumping, homeless encampments, invasive species, etc.):
 - Conditions of on-site facilities and infrastructure are unknown. However, issues in the general area that would be expected to apply to the subject property include border traffic, target

Old Seco Headquarters Evaluation of July 2023

shooting, dumping, OHV use in washes, limited water supply for grazing, drought, and poor to fair conditions of range improvements.

Additional Information:

In 2005, the County acquired more than 9,574 acres of private property within the Rancho Seco complex and secured nearly 27,000 acres of state and federal grazing leases. About that same time, the County was granted a Conservation Easement and a Right of First Refusal (ROFR) to certain other private holdings within the ranch complex, including the subject 240 acres. The Conservation Easement serves to preserve the property as natural open space and maintain its value as wildlife habitat. While it allows the property owner to maintain and graze livestock, it does not give the County any right to independently use the property as part of County ranching operations.

Subsequently and for a period of time the property owner of the Old Seco HQ partnered with NRPR and participated in a Ranch Management Agreement (RMA) to continue their operation of an active cattle ranch utilizing the County's state and federal grazing leases. However, in 2023, the property owner elected to not renew the agreement and put the property up for sale. This effectively created a private in-holding in the County's Rancho Seco ranching operation removing access to vital headquarter facilitates and infrastructure.

NRPR has since entered into a RMA for use of County state and federal grazing leases with a new ranch partner headquartered off-site. While ranch management can be conducted from these off-site headquarters, it is not ideal and impacts management effectiveness and efficiency. The private inholding creates issues with accessing the County's Rancho Seco fee and lease lands. Also, now that the livestock shipping facilities located on the in-holding are not available, there is a need to install such facilities elsewhere on other County-owned fee land.

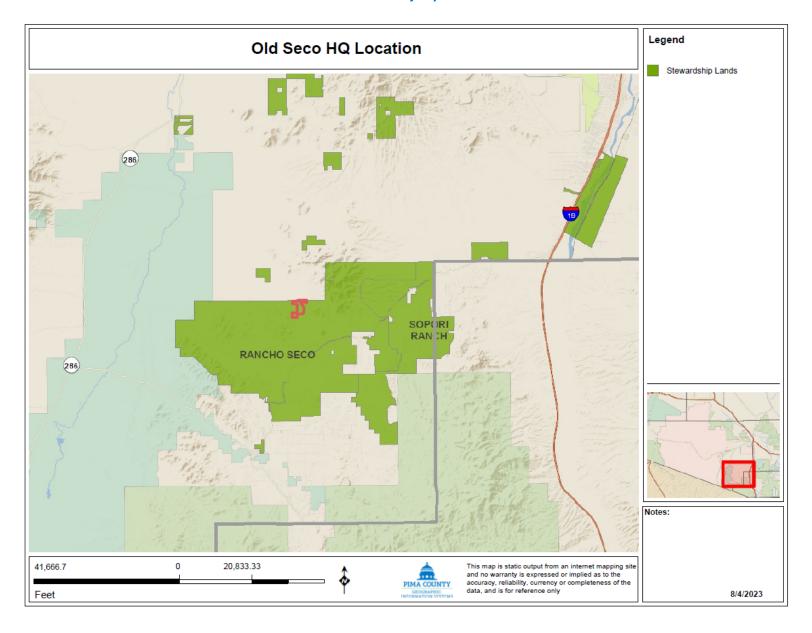
Summary:

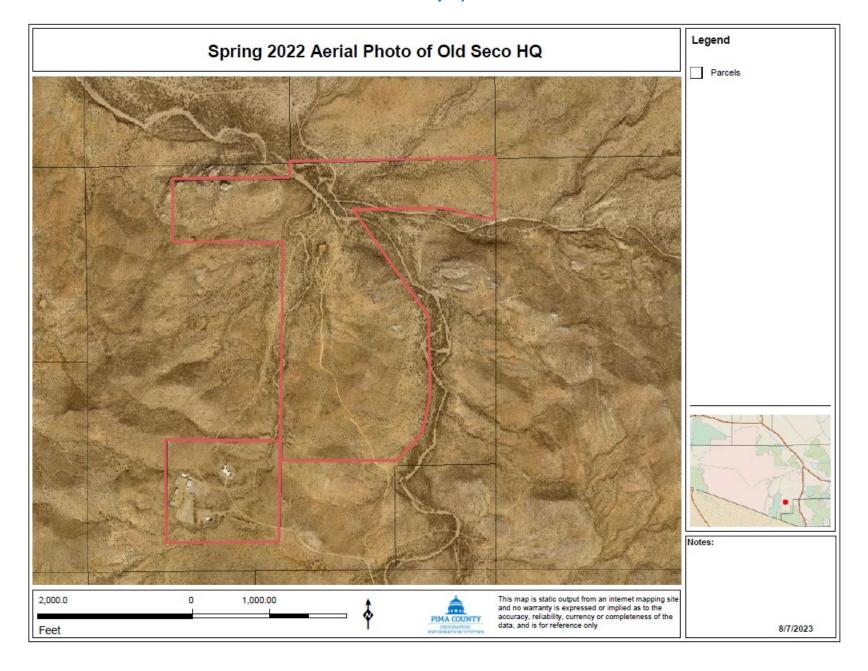
Because of its Right of First Refusal, the County has a unique opportunity to acquire 240 acres containing ranch headquarter facilities and infrastructure that once enabled the efficient and effective management of Rancho Seco ranching operations. Acquisition of the subject property would re-assemble the ranch and allow headquarter operations to be re-established on site, remove access issues, and avoid the costs of establishing new livestock shipping facilities on other County-owned property. The Conservation Easement does not offer an alternative remedy to these issues.

Although not identified as an Acquisition Priority, acquiring the subject property would contribute to the County's already significant investment to retain Rancho Seco as an active ranch on a working landscape as envisioned by the Sonoran Desert Conservation Plan's Ranch Element. It would be re-incorporated into the Rancho Seco ranching operation and be re-established as the ranch headquarters.

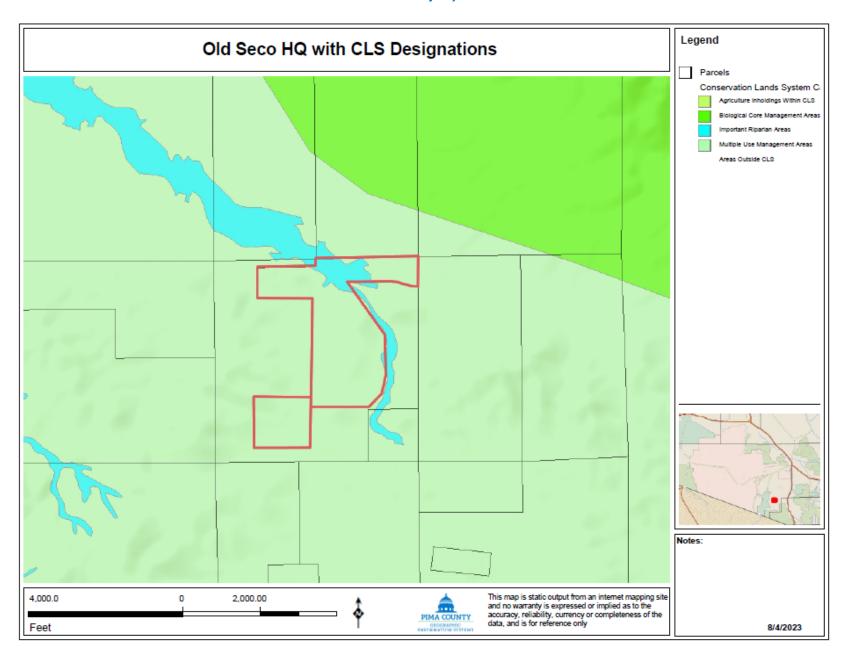
Acquisition of the subject property aligns with other aspects of the SDCP including increasing the County's holdings in the conceptual Southern Altar Valley Reserve; protecting wildlife habitat in a location that contributes to landscape continuity and movement of biological resources; and conserves an area important for Ancestral Native American heritage and likely archaeological resources.

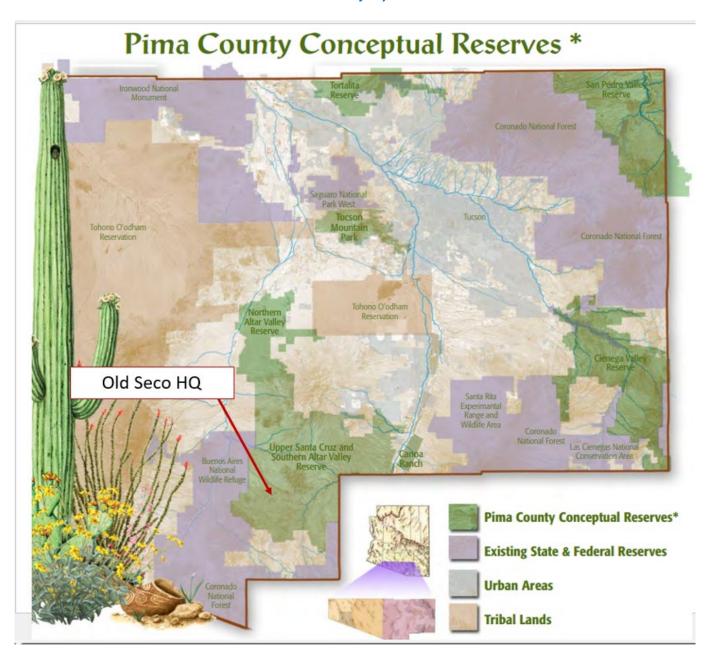
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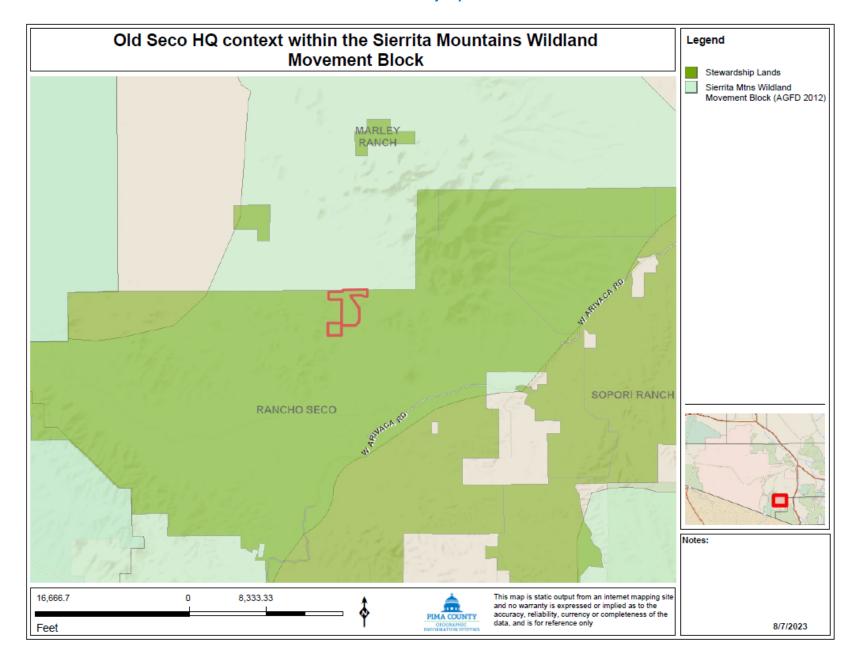


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