

South Carolina Department of Natural Resources



John E. Frampton
Director

August 23, 2007

Mr. Buck Limehouse, Secretary
SC Department of Transportation
PO Box 191
Columbia, SC 29202-0191

Dear Mr. Limehouse:

Thank you for the time you and Department of Transportation (DOT) staff have taken to work with the Department of Natural Resources (DNR) to cooperatively seek resolution to the issue of the proposed I-73 crossing of the Little Pee Dee River Heritage Preserve at SC 917. DOT needs 30 acres of land owned by DNR in the Preserve. DNR realizes the importance of this project to the state and stands ready to move forward quickly to finalize a deal whereby it is either sold to DOT or exchanged for other land.

As we have discussed, the 30-acre tract of land, as part of the Preserve, is now held in trust for public use and benefit under the South Carolina Heritage Trust Act after having been identified by scientists and conservationists as critical property meriting a special level of protection. The land's purchase was funded through the Heritage Land Trust Fund and it is "section 4(f) property" within the regulations promulgated by the Federal Highway Administration (FHWA) guidance.

Because of the land's designation, its loss from the Preserve must be mitigated in accordance with federal and state standards, something that DOT can do in one of two ways: 1) provide DNR with substituted land for preservation; or 2) pay monetary consideration to DNR that would allow DNR to acquire substitute land for preservation. This is not DNR's internal rule, but one imposed on us by virtue of the land's designation.

An analysis of the required mitigation standards shows that 10:1 would be an extremely conservative ratio in the current situation. For example, in a similar mitigation situation involving Sandy Island, a ratio in excess of 20:1 was deemed appropriate. We have been advised by legal counsel that DNR's acceptance of a mitigation ratio of anything less than 10:1 might be subject to legal challenge. Those are the legal constraints within which DNR has to operate.

Using this 10:1 ratio, DOT staff has proposed conveying 300 acres of land within the Pee Dee/Waccamaw drainage area to mitigate and compensate for loss of the 30 acres from the Preserve. This proposal is acceptable to DNR and I am prepared to recommend

Mr. Buck Limehouse, Secretary
August 23, 2007
Page 2

approval of this compensation and mitigation plan to the Heritage Trust Advisory Board, the DNR Board and the South Carolina Budget and Control Board.

That said, however, I have been advised that, despite their best efforts, the staff for DOT and DNR have to date been unable to identify a suitable tract of land for mitigation. If that is, in fact, the case, that would seem to rule out option one above (conveyance of substituted land) and require us to focus on the second (paying an adequate amount of monetary compensation to acquire other land). With that in mind, you advised me the other day that DOT would pay \$450,000 for the 30 acres of land.

With all due respect, it would be impossible for DNR to acquire 300 acres of substituted land for \$450,000 – an amount that comes to only \$1,500 per acre. A recent appraisal of land in the vicinity of the 30 acres indicated a per-acre land value of \$6,000. DNR believes that this appraisal may establish a per-acre value that is too high, but it also believes that \$1,500 per-acre is far too low. During our conversation yesterday, however, you insisted that DOT would pay no more than \$1,500 per acre, although to my knowledge there is no appraisal that documents that value. If I am mistaken in that regard and you have such an appraisal, please provide me with a copy.

I suspect that a fair and equitable per-acre value (that is, a value that would allow DNR to meet its federal and state obligations regarding mitigating land that is lost from the Preserve) falls somewhere in between \$6,000 and \$1,500 per acre and I suggest that DNR and DOT agree upon an independent appraiser to establish that value. DNR realizes the importance of the I-73 project and is giving it top priority – in fact, I intend to ask DNR's Board at its meeting tomorrow to pass a resolution to that effect.

Thanks for your attention to this matter. In order to expedite things, please provide me with the names of some independent appraisers who are acceptable to DOT.

Sincerely,



John E. Frampton
Director, SC Department of Natural Resources

CC: DNR Board Members