

**McAllis Point Acquisition Project  
TCEQ #582-6-77790**



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## **Introduction**

Galveston Island has always been a place of great value. While one of many barrier islands along the Texas coast, Galveston Island's historical, recreational, economic, and ecological significance set it apart. Galveston's appeal has spurred rapid development along the island's west end, reducing the amount of natural land so important to the island's heritage.

This project protects a significant parcel of that heritage. The project site comprises 61 acres along a 1,850-foot wide parcel that fronts on West Galveston Bay, and is located roughly three-quarters of the way down (toward the west) the length of Galveston Island, a 32-mile barrier island about three miles off the Texas mainland.

The overall project, combined with recently completed wetland restoration/protection efforts at Delehide Cove, Jumbile Cove, and the Galveston Island State Park, will help protect the integrity of the entire marsh ecosystem along the southern shoreline of West Bay.

## **Environmental Significance**

The McAllis Point tract is largely wetlands – estuarine emergent marsh – and coastal prairie. Along with tidal flats, these habitats present a complex that provides food and shelter for avian, upland and aquatic species, including protected migratory and endangered bird species, and commercially and recreationally important finfish and shellfish species, all contributing to the documented productivity of the Galveston Bay system, the most productive bay in Texas.

All of these habitats are under threat of imminent losses, due primarily to erosion, in combination with subsidence and development pressures. The most recent NWI information, specifically for the area, shows that between 1956 and 2002 there has been a loss of approximately 80 acres of fringing, estuarine emergent marsh, 11 acres of palustrine emergent marsh, and 35 acres of seagrass over the last 46 years. Overall, erosion, subsidence, and saltwater intrusion have contributed to wetland and adjacent habitat loss in the project area. Some of the localized wetland losses can be also attributed to over-grazing of cattle that has taken place within the project area. Recent aerial photographs of other tracts on the Island show fences, restricting cattle movement in some of the marshes, have helped to restore wetland vegetation. The Galveston Bay Estuary Program has identified wetlands loss as the number one priority problem facing Galveston Bay.

Additionally, less than one percent of the original 9.4 million acres of coastal prairie on the Gulf Coast from Corpus Christi to Lafayette, LA, remains in a largely natural state. The coastal prairie in the project area represent an area that, with protection, can be maintained with significant wildlife habitat values. Without protection, winter storm winds and waves will continue to erode this portion of Galveston Island, converting and losing valuable habitats.

Furthermore, all of the undeveloped land and associated habitats on Galveston Island are under significant development pressures, with numerous permits applied for and issued to allow the placement of fill into wetlands and the development of large tracts of coastal prairie and wetland habitats. This parcel is one of the last remaining larger acreages available for purchase and not already slated for development.

## Results

This project protected 60 acres-*give breakdown of acreages*. Figure 1

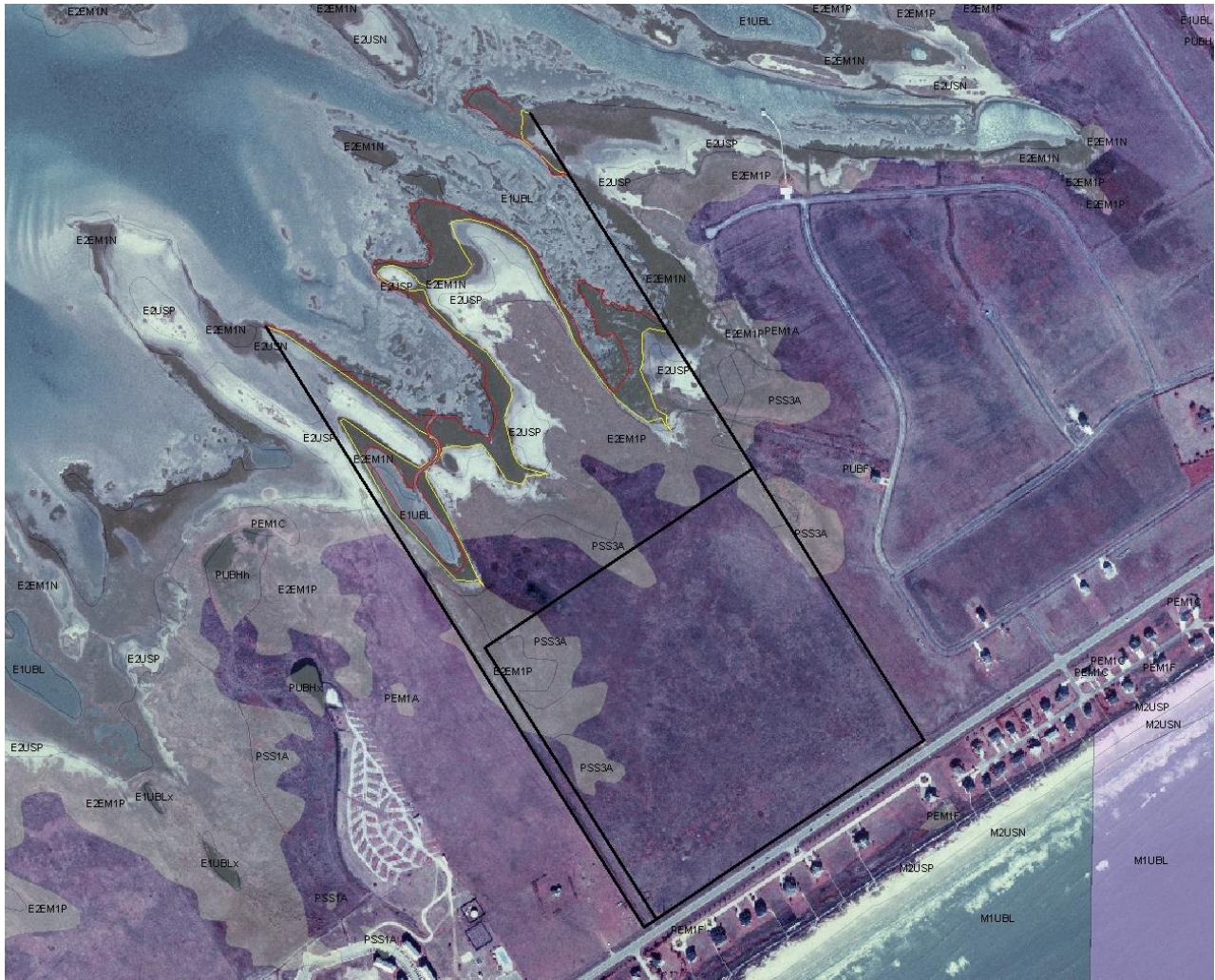


Figure 1. Aerial view of McAllis Point Acquisition. Black lines show the boundaries of the tract.

### *Summary of Benefits*

- Represents one of the few large tracts of undisturbed land remaining on the island.
- Features most all the representative barrier island habitats: algal flat, intertidal marsh, brackish marsh, freshwater marsh, and coastal prairie.
- Attracts and feeds a wide variety of birds, including wading birds, shore birds, waterfowl, and grassland birds, both year-round and migrants.

- Offers a refuge for wildlife, such as Sandhill Cranes, in the face of the inevitable development engulfing the west end of the island.
- Features important habitat necessary for the breeding of mottled ducks, an Audubon Watch List species.
- Provides drinking sources for wildlife of the area, through the shallow, freshwater depressional wetland areas of the natural hydrology on the site.
- Able to support many of the 33 species of animals that live on the Island – reptiles, amphibians, mammals, and birds – through its habitats and water sources.
- Offers excellent potential for habitat restoration: prairie plants in the uplands, wetlands in the intertidal fringe area, and submerged aquatic vegetation in the subtidal area.

### **Methodology**

A broad consortium of partners collaborated to plan and implement this project. It began with a discussion in 2003, at which several local resource experts met at the Estuary Program's offices to identify some of the best natural areas remaining on Galveston Island, Follets Island, and Brazoria County. These prospective partners contrived a mechanism to conduct planned wetland restoration and erosion protection, leveraging funds for these activities to secure local, state, and federal funding for the conservation of key habitat areas. Galveston County agreed to serve as the ultimate owner of the site, and maintain it as a county park.

In 2004, project partners secured public funding for a Galveston Island project, including approximately \$600,000 from the CELCP program, \$50,000 from the City of Galveston, and \$900,000 from the CWPPRA program. Simultaneously with applying for these funds, project partners began the endeavor of land acquisition on Galveston Island, utilizing TPL's capacity and expertise in conservation land acquisition. Completing the land acquisition component of the project proved to be immensely challenging, as Galveston Island is one of the most competitive and aggressive real estate markets in the nation. When negotiations for land originally targeted for conservation fell through, project partners worked to identify alternate sites with particular conservation value. TPL, acting as lead, came very close to contract on a number of properties, only to lose them to deep-pocketed developers who could pay much higher prices.

In January 2006, TPL contracted to purchase this property on the west end of Galveston Island. The landowner, Five-O Family, Ltd., accepted TPL's offer of \$5,000,000 (matching his lowest offer from a developer). However, he gave TPL an extremely restricted timeframe of 90 days in which to close. Once the contract was fully executed, intense fundraising efforts began, and the community began to galvanize around the effort to protect what it described as Texas's "Cape Cod." During TPL's inspection period, publications like the *Galveston County Daily News* and the *Houston Chronicle* ran articles with headlines such as "Keeping the Bulldozers at Bay." This was an opportunity to make a major impact on the Houston-Galveston community by protecting a property that would have otherwise become a fully-platted development.

TPL considered protecting the entire 127-acre parcel as the its most successful conservation scenario. However, at the close of TPL's inspection period, just \$1.8 million of the needed funds were pledged. With this in mind, and with the assistance of TPL supporter Sidney McClendon,

TPL met with the Texas Land Commissioner to seek a creative conservation solution through a partnership with the Texas General Land Office and the Permanent School Fund (PSF).

TPL negotiated an agreement to buy the 127 acres (which we did on April 14, 2006) and convey the entire property to the PSF (which we did on April 20, 2006), with the requirement that the PSF grant TPL a one-year option on 55.9292 acres closest to Galveston Bay (at the same price per acre originally paid by TPL). TPL would have a right of first refusal on any additional acres conveyed to PSF, which would be subject to a new re-purchase price - the greater of either a revised appraised value or a 10% escalator. Over the year, TPL continued to privately fundraise, identify additional public funds, and gather existing pledged funds; and by July 2007 we had enough funding to acquire 60.4 acres under this agreement (approximately \$2,671,325). The purchase price was determined as follows: 55.9292 acres for \$2,500,000 + 4.45 acres at \$38,500/acre (35,000/per acre + 10%). Permission was granted to TPL to purchase this additional 4.45 acres.)

TPL and closed with PSF and conveyed the property to Galveston County on July 19, 2007.

### **Use and Management**

The project site is owned in fee by Galveston County, which will enter into an agreement with a local entity to manage and maintain the site as a nature park. Galveston County will select a contractor to develop plans for the development of access and low-impact recreational features on the site, as well as a contractor(s) to implement the plan. Galveston County and its partners will ensure management of the property in a manner consistent with the requirements of the funding entities to protect the natural resource benefits of the site. In fact, Galveston County and its partners Project partners have drafted a management plan for the site. Finally, a legal instrument (e.g. conservation easement, deed restrictions) will be developed for the property to ensure its protection in perpetuity.

Plans for public use and access will be considered in cooperation with Galveston stakeholders, including representatives of state and federal resource agencies and nonprofit conservation organizations, along with other local residents. Among the features that could be included are: a nature trail with boardwalks, fishing access, canoe/kayak access and trail, birding observation platforms, interpretative signage, and tree plantings for shade and for migratory bird habitat. All the parties who have been involved in the project are sensitive to the environmental values of the project area, and will develop a plan that provides access with the least possible disturbance, including avoiding especially sensitive areas such as bird rookeries.

### **Project Timeline**

The project began October 1, 2004 and ended August 31, 2007. Benchmarks include the following:

October 2004 – December 2006 – The Trust for Public Land (TPL) pursued negotiations with landowners on West Galveston Island.

March 2006 – Project partners completed original due diligence for purchase of 127 acres at McAllis Point.

April 2006 – TPL completed agreement with the General Land Office for the Permanent School



Fund to provide interim funding that would allow TPL additional time to assemble the funds for re-purchase of at least 55.9 acres.

January 2006 – October 2006 – Project partners completed fundraising for re-purchase of 55.9 acres.

November 2006 – April 2007 – TPL works to complete requirements for re-programming of the CWPPRA and CELCP funding for McAllis Point.

July 19 2007 – TPL closed on the property and conveys it to Galveston County.

## **Fundraising**

Owners of the originally targeted site at Starvation Cove on West Galveston Island decided to sell all of their remaining property (more than 1,000 acres) to one buyer instead of completing the deal with TPL for purchase of a 100- to 150-acre portion of their property. After placing offers on several other parcels on the West End, TPL and project partners identified a willing seller at McAllis Point who became interested in the conservation purpose of the acquisition, but was only able to offer a 90-day option on sale of the 127-acre property for \$5,000,000. Thence followed a period of intensive fundraising, and negotiations with the General Land Office to provide interim funding from the Permanent School Fund. This agreement allowed project partners one year, from April 20, 2006, to assemble funding for re-purchase of 55.9 acres of the property for \$2,500,000, and a perpetual right of first refusal on the balance of 71 acres.

Federal funds, including a \$593,687 grant from the Coastal and Estuarine Land Conservation Program (CELCP) administered by NOAA, and a \$900,000 grant from the National Coastal Wetlands Program/Coastal Wetland Planning Protection and Response Act program (CWPPRA) administered by the U.S. Fish and Wildlife Service, provided a substantial portion of the funding for the project. Over the course of the year, TPL worked furiously to assemble local funds to serve as match for the federal funds, and an additional grant for Galveston County from the Texas Commission on Environmental Quality. This grant was for \$176,486, including \$7,086 for due diligence costs, to add 4.4 acres to the re-purchase of the original 55.9 acres.

To secure the CELCP and CWPPRA funding required re-programming of the funds from Starvation Cove to McAllis Point. This step proved to be more involved and take longer than anticipated. The General Land Office granted TPL a one-time 90-day extension from April 20, 2007 to July 19, 2007 to complete the transaction, including the additional due diligence for the 4.4 acres, bringing the total to 60.3 acres.

To protect and restore the remaining emergent marsh habitats at McAllis Point, as well as protect these wetlands and the coastal prairie from habitat conversion and loss, future marsh construction may be proposed for the submerged lands now offshore and formerly part of Galveston Island.

## **Budget Information**

The total acquisition cost was \$2,669,400, which represents \$900,000 from CWPPRA, \$593,687 from CELCP, and \$273,717 in other federal funding (mostly from this grant), and \$901,996 in non-federal matching funds.

## ***Project Contributions***

CELCP Portion of Land Acquisition	\$ 593,687
CWPPRA Portion of Land Acquisition	\$ 900,000
Other Federal Funding of Land Acquisition	\$ 273,717
Other Non-Federal Funding of Land Acquisition	\$ 901,996
<b><i>Total Purchase Price</i></b>	<b><i>\$2,669,400</i></b>

## **Partners**

### ***Funding***

Coastal Estuarine Land Conservation Program  
National Oceanic and Atmospheric Administration  
Congressman Nick Lampson  
Congressman Ron Paul  
National Coastal Wetlands Program  
U.S. Fish & Wildlife Service  
Texas Parks & Wildlife Department  
Galveston Bay Estuary Program  
Texas Commission on Environmental Quality  
City of Galveston (TCEQ SEP)  
Galveston County  
National Fish & Wildlife Foundation  
Houston Endowment  
John P. McGovern Fund  
Harris & Eliza Kempner Fund  
Anadarko (EPA SEP)  
More than sixty individuals and groups

### ***Other***

Sidney McClendon  
Tom and Laura Bacon  
West Galveston Island Property Owners Association  
Galveston Island Nature Tourism Council & FeatherFest

## **Lessons Learned**

At its surface, land acquisition for conservation purposes would seem to be a fairly straightforward proposition. Galveston Bay resource managers and parks professionals would argue that it is one of the most challenging approaches to conservation, however. Project partners faced many difficult challenges in implementing the project. Among these challenges:

1. The cost of land has increased dramatically in recent years, presenting enormous challenges to raising funds sufficient to conserve large tracts on Galveston Island;

2. Galveston Island, and indeed many areas immediately adjacent to the coast are highly fragmented and altered, leaving relatively few large tracts with high conservation value;
3. Negotiations with private landowners can be perilous and very transient, especially with intense competition for lands available for development;
4. State and federal grant programs can significantly limit project managers' flexibility to pursue multiple options, especially as targeted tract(s) are taken off the market;
5. The knowledge that there will be a lag time between establishing agreements and completing transactions may be a deterrent to landowners in selling to conservation interests.

There is little that can be done to address items 1 and 2 above. The conservation community recently began to target outlying, largely rural areas to secure larger, more ecologically significant parcels for conservation. However, preserving small parcels in urban settings is still a high priority especially for organizations such as The Trust for Public Land, as they serve as valuable refugia for wildlife, support public recreation, and provide excellent public outreach and education opportunities.

To better address items 3 through 5, we might suggest an entirely different approach in developing conservation projects. Instead of focusing on a single tract, we might identify and prioritize several tracts with conservation value, leaving considerable flexibility in negotiations with landowners. This will afford project managers with much greater leverage in negotiations with landowners.