

To: Karen Holzer, Executive Director, Booth Society, Inc. 423 Hatchery Circle,
Spearfish, SD 57783 605.642.7730 ext. 221

Carlos Martinez, Director, D.C. Booth Historic National Fish Hatchery,
Spearfish, SD 57783 605.642.7730 ext. 223

From: Natural Resource Damage Assessment, Restoration Management Team
For the Final Conceptual Restoration and Compensation Plan for
Whitewood Creek and the Belle Fourche and Cheyenne River
Watersheds, South Dakota (2005)

Date: November 27 2019

Re: Proposal to acquire Evon Breeding property (64.62 acres) adjoining the D.C.
Booth Historic National Fish Hatchery, Spearfish, SD, via Homestake Mining
Company Natural Resource Restoration Fund (HMC-NRRF)

Dear Ms. Holzer,

The Restoration Team is pleased to announce our approval to financially support the Booth Society's acquisition of the Evon Breeding Property in the estimated amount of \$173,000 plus accrued interest. *Congratulations!* We look forward to the public programs the Booth Society has planned for the property and the conservation of the trust resources for the citizens and visitors of South Dakota.

In 2018, the Restoration Team Coordinator, Shelly Deisch with the South Dakota Department of Game, Fish and Parks (SDGFP), was contacted by Tyler Hemmingson regarding the sale of the Evon Breeding property, private land adjacent to the D.C. Booth Historic National Fish Hatchery. He expressed an interest in navigating the application process for a funding request through the Whitewood Creek Restoration Plan. Several Team members subsequently toured the 64.62-acre property.

In 2019, Matt Schwarz, Restoration Team Co-coordinator with the USDI Fish and Wildlife Service, was contacted by the Booth Society and Carlos Martinez regarding this parcel of land. Matt completed the Team's evaluation of the Booth Society's application and arranged a final meeting with the applicants on August 1, 2019. The Team learned that the Booth Society had secured multiple funding partners and a loan from a local bank. The property closed on July 31, 2019 for a purchase price of \$642,500.

Using the Restoration Plan's evaluation process of 16 weighted criteria, the Evon Breeding property and the Booth Society's application resulted in an averaged score of 4.39 out of a possible 5. There were no scores which would have caused funding denial. Lastly, the Restoration Plan's Authorized Officials, Kelly R. Hepler, SDGFP Secretary, and Noreen E. Walsh, have both approved of releasing funds from the HMC-NRRF to support this project.

ADDENDUM

Conceptual Use of the Property

The Booth Society's conceptual ideas for in-perpetuity public benefits include expanding existing interpretation, visitor and youth education opportunities: hiking trails, outdoor education interpretive nature presentations, bird watching, youth mentored hunts, archery range with emphasis on youth, and tribal education partnerships (Booth Society's Application page 9). The property is rich with native plant communities, songbirds and other wildlife. A natural spring/seep with associated riparian vegetation will be protected. By conserving this upland property from a housing development, the Team is reassured that run-off into Spearfish Creek will be minimal or at natural rates. In addition, it will protect the hatchery groundwater supply which is important for fish cultural purposes, and will prevent houses from overlooking and ruining the aesthetics of historic property and popular tourist attraction.

One of the Plan's most stringent requirements for funding is that the public will benefit by use and enjoyment of the property beyond the knowledge that the parcel was not sold for development. The law which created the ability to seek legal replacement or restoration for damaged or lost natural resources ensures that the public will be compensated. Compensation is a broadly defined term and the Team is not in the position to require how the public will be compensated. However, the Team believes that this acquisition will meet the goals and objectives of the Restoration Plan by offering the public permanent access to the property to enjoy its natural resources and ecological services.

City and County Notice to Acquire the 64.62 Acre Property

Both the City of Spearfish and Lawrence County were notified by the Booth Society of this acquisition and were approved.

The Team's Caveats Which Have Been Clarified

Mineral rights: Booth Society's research indicates that the property is within the Spearfish city limits and that no mineral or water rights have been recorded (Application pages 7-8)

Loan Repayment: The Booth Society has a history of successful funding and partnerships. Securing a loan from a local bank is testimony to the excellent credit and low risk of the Society. Details of its loan repayment are found in the Restoration Plan Administrative File's meeting notes of August 1, 2019. The Booth Society plans to pay off the loan to avoid the possibility that supporters' donations are applied to the accrued loan interest. The Booth Society plans to secure fee title ownership within 5 years or less.

In-Perpetuity: The Booth Society will search for an appropriate entity to hold a Conservation Easement (CE) to retain the parcel in its entirety should the Booth Society, Inc. dissolve or unfortunately find a need to dispose of the property in the future. Until a CE can be secured, the Society stated that it will change its by-laws to include property ownership terms that describe how the property would be protected and open to the public.

Upon full payment of the loan, the Society agrees to include either a deed restriction and/or a CE to ensure the parcel remains in-tact, protected from development, and that there will be some form of public access in-perpetuity. The encumbrance of a CE on the

title may also lower the property value, which would aid in lowering future property taxes. The Restoration Team requests that these developments be reported to the Team Coordinator at SDGFP, 4130 Adventure Trail, Rapid City, SD.

Administrative File

Financial support of this project will officially close Homestake Mining Company Natural Resource Restoration Fund account held with the South Dakota Parks and Wildlife Foundation and the Whitewood Creek Restoration case. Details of purchase, funding partners, and estimated future costs for management of the property are found within the Booth Society's Application (pages 5-7). The application, property boundaries, details of the Booth Society's plan for loan repayment, county and city notices, meeting notes, the Team's evaluations, and agency approval letters are in the Administrative File held with SDGFP, Rapid City, SD.

Shelly Deisch, Whitewood Creek Restoration Plan Coordinator, SDGFP, Rapid City, SD
Matt Schwarz, USDI, Fish and Wildlife Service, Pierre, SD
Scott Larson, USDI, Fish and Wildlife Service, Pierre, SD
Mark Sattelberg, USDI, Fish and Wildlife Service, Denver, CO
Joane Lineburg, SD Dept. of Environment and Natural Resources, Pierre, SD
William Domagall, USDI, Bureau of Reclamation, Rapid City, SD
Stan Michals, SDGFP, Rapid City, SD
Rebecca Newton, USDI, Bureau of Land Management, Belle Fourche, SD
John Carreiro, SDGFP, Rapid City, SD
Paul Coughlin, SDGFP, Pierre, SD