

State of South Carolina Office of the Governor

David M. Beasley
Governor

FOR IMMEDIATE RELEASE
Nov. 3, 1997

Contact: Gary Karr
803/734-9840

GOVERNOR HAILS DEAL THAT PROTECTS UNIQUE MOUNTAIN LANDS

(Columbia) -- Governor David M. Beasley announced today that the mountain jewel known as Jocassee Gorges - 32,000 acres of some of the most ecologically significant land in South Carolina - is now protected thanks to a unique collaborative effort by business, public and private groups.

"This was an unprecedented, once-in-a-lifetime opportunity, Governor Beasley said. "Jocassee Gorges is one of the most important scenic, scientific and recreational assets in the Southeast and indeed in all of North America. Because of the size and natural resource values of Jocassee Gorges, this project will be considered the most significant conservation project in the Southern Appalachian Mountains in the latter half of the 20th century. "

The final deal was put together with a collaborative effort between the state of South Carolina, which raised \$10 million through a bond bill, a \$1 million commitment from the Department of Natural Resources and \$10 million from the Richard King Mellon Foundation assisted by The Conservation Fund, a private conservation organization based in Arlington, Va., and Duke Energy and Crescent Resources with a gift of property valued at \$33.8 million.

Governor Beasley praised the Mellon Foundation for their generous support. "Thanks to the foresight and commitment of the Mellon Foundation, Jocassee Gorges will become a prominent part of the nature-based tourism economy of the Southern Appalachian and add to the quality of life for all South Carolinians. Not only are these lands important for wildlife, they are exceptional destinations for outdoor recreation. Families can enjoy hunting, hiking, fishing and camping now and for generations to come," the Governor said.

Nestled between the Sumter National Forest to the west and the Mountain Bridge Wilderness Area to the east, Jocassee Gorges is home to rare plants, black bears, peregrine falcons and some of the highest waterfalls in the Southeast. Many of the state's best trout streams, some with reproducing native trout populations, are also in Jocassee Gorges.

In the land transaction, Duke Energy, through its subsidiary, Crescent Resources Inc., will transfer 32,000 acres in the Lake Jocassee Watershed to the state of South Carolina. The collaborative effort to purchase the land involved many state and federal agencies and private conservation organizations. Duke Energy will

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continue to manage the separate property it has reserved for future generation options in concert with the goals of the resource agencies.

Patrick F. Noonan, chairman of The Conservation Fund, said, "We are honored to assist the Richard King Mellon Foundation and play a role in helping create this newest addition to South Carolina's outdoor heritage. The Foundation's generosity sets the standard for land conservation, not only in South Carolina, but in creating a legacy for the nation."

State leaders envision Jocassee Gorges as a core preserve encompassing several major gorges that make up the Lake Jocassee watershed, reached mainly on foot and managed with a focus on protecting endangered species and environmental integrity. Much of the area will be open to traditional recreational uses, such as hunting, fishing, hiking and camping.

Over the years, Duke Energy and Crescent Resources have kept the tract intact for future power production opportunities and managed the property in a way to preserve its uniqueness. In November 1996, Duke gave South Carolina's conservation community first opportunity to purchase the land, making it available through 1999.

"Duke Energy is proud to have played a leadership role in protecting this extraordinary, diverse wilderness, said Richard B. Priory, Duke Energy chief executive officer. Environmental protection is high on our list of priorities as we go about our business of producing energy. "

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In Upstate, paradise preserved

Private funds help S.C. seal Jocassee deal

By SAMMY FRETWELL
Staff Writer

LAKE JOCASSEE — South Carolina bought itself a Blue Ridge wilderness Monday, protecting virtually all of the state's mountains from the bulldozers of land developers.

The state's agreement with Duke Energy Corp. will preserve a highland area larger than many national parks in a region of the state increasingly pressured by urban sprawl. The Jocassee Gorges land stretches from the Sumter National Forest in Oconee County to the Mountain Bridge Wilderness north of Greenville.

Standing on an overlook of Lake Jocassee and Whitewater Falls, Gov. David Beasley announced the land deal with executives from Duke Energy and the S.C. Department of Natural Resources. The setting for the announcement couldn't have been better, with the mountains in full autumn foliage as a cool wind whipped the area.

"It takes your breath away, the beauty of this piece of land," Beasley said of the uplands he likened to the biblical Garden of Eden. "It's second to none anywhere in this part of the United States."

Duke agreed to sell the 32,000 acres to the state and a private foundation for about \$21 million following a year of intense, sometimes testy, negotiations with the DNR. Duke says the property is worth more than \$54 million.

The Richard King Mellon Foundation, through the Conservation Fund of Arlington, Va., kicked in \$10 million to make the deal work after state officials and Duke alleviated concerns Mellon had about tax breaks involved in the agreement. Duke still gets tax advantages, in addition to the sales price.

The preservation deal will protect the Jocassee Gorges property from development, but the public will continue to have access to the land as it always has. People can still hunt, fish and hike the property. Duke Energy began purchas-

'It takes your breath away, the beauty of this piece of land,' Gov. David Beasley said in announcing the \$21 million purchase of 32,000 Upstate acres that the state negotiated with Duke Energy.

ing in the early 1900s but never used for hydroelectric power production.

The preservation deal will protect Jocassee Gorges property from development, but the public will continue to have access to the land.

Except for building Lake Jocassee, Lake Keowee and a small pond nearby, Duke has kept most of the property in a natural state and has managed it as a kind of unofficial nature preserve for much of the past three decades.

Duke began studying plans in the 1980s to sell the property to the states of South Carolina and North Carolina because it didn't need that much land for power projects. But its real estate division, Crescent Resources, also had overtures from land developers. As a result, the company said it would sell the property to the highest bidder if the state didn't buy the property by the end of the century.

The land South Carolina agreed to purchase Monday is virtually untouched by homes or development. The Jocassee Gorges includes more than 60 species of rare plants and animals, hundreds of mosses unusual to South Carolina, and more than a dozen clear-running rivers and creeks. The property also contains

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JOCASSEE

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the state's highest peak, Sassafras Mountain, and one of South Carolina's largest populations of black bears.

Not included in the sales agreement is about 10,000 acres of property Duke is retaining in the White-water Falls area. The falls themselves are protected by a previous agreement.

To ease some public fears about nearby property, the power company agreed to put conservation easements on 6,500 acres of the retained property, meaning developers can't build on it.

The company will reserve about 3,500 to 4,000 acres in case it ever wants to develop the property for additional hydroelectric lakes, Duke's James Hendricks said. That would involve flooding land in the area of Coley Creek or Limberpole Creek.

Also not included in the deal is private property surrounding the scenic Eastatoe Valley in Pickens County and Duke lands being considered by the state of North Carolina.

Unprecedented purchase

Still, the agreement with Duke is any public land acquisition brokered in South Carolina.

It's also one of the five largest and most significant acquisitions ever aided by the Conservation Fund, a group that helps find donors and preserves wild lands across the United States.

Patrick Noonan, founder and chairman of the Conservation Fund, said few purchases have rivaled this one in the United States for his organization.

About the only acquisition bigger in this part of the country was for the Alligator River area in coastal North Carolina, he said. The fund, which helps the Mellon Foundation identify land in need of protection, has helped protect 1.4 million acres in 47 states.

The Richard King Mellon Foundation, whose money made the deal work, didn't send a speaker to Monday's announcement.

But the 50-year-old foundation said in a news release that it had a long-standing commitment to conservation. In the past decade, the foundation has acquired land worth nearly \$200 million for conservation and historical preservation. The foundation is based in Pittsburgh.

"In these times of tight budgets, we feel that the private sector has an opportunity and an obligation to augment the conservation work of public agencies," said the foundation's president, Seward Prosser Mellon, in a written statement.

Monday's announcement capped a year of wildly popular support for the project. So committed to the preservation were state lawmakers, that they approved \$10 million for the property purchase with almost no dissent earlier in 1997.

Beasley, often the target of environmentalists, also offered his enthusiastic support and worked to make the deal happen. Meanwhile, the state's congressional delegation has been working furiously to secure \$3.25 million to buy about 4,000 additional acres west of Lake

Jocassee. The delegation got \$1 million last year for the purchase from Congress.

Despite the support, Monday's announcement drew sharp criticism from a protester who sat quietly in the crowd until Beasley prepared to sign papers making the property transfer official. The woman, claiming only to be chief of a local Indian tribe, yelled that Duke Energy and its real estate division had virtually stolen her family's land years ago.

"They've taken the property that was my people's, my family's."

PROTESTER WHO CLAIMS DUKE ENERGY STOLE HER FAMILY'S LAND

"They've taken the property that was my people's, my family's," she shouted. "The people of South Carolina are going to court."

The woman later told reporters that she and her people would now be charged to use the land they once hunted and fished for free.

DNR spokesman Mike Willis said she would not be arrested, but security officers followed her as she sped away to make sure she left the property safely. Both the DNR and Duke said there's no charge to use the newly acquired state land.

Ron Bost, senior vice president for Duke's real estate division,

Crescent Resources, said the company paid fair-market value for the land. Though a few acres were purchased as far back as 1915, most of the property was bought in the 1960s from the Singer sewing-machine company, he said. Fair-market value was about \$100 an acre at the time, he said. The land is now valued at about \$1,700 an acre.

A deal salvaged

Despite the ruckus, officials remained upbeat Monday about a deal that many of them thought was dead just three months ago.

That's when the Mellon Foundation, upset that the property deal would include hefty tax breaks for Duke, pulled its support from the project. DNR land negotiator John Frampton said the setback was the most disappointing he'd had in more than two decades of wildlife work.

At the time, he chided Duke for asking too much for the property, about \$22.6 million, plus tax

advantages.

Within weeks, however, the DNR and Duke went back to the bargaining table, said agency board member Tommy Miller. Miller, credited with soothing strained relations between Duke and the DNR, helped arrange a meeting in Charlotte to air out problems.

During that meeting, Duke and the DNR put their differences down on paper and tried to figure out what they could compromise on, Miller said. A flurry of meetings followed in Columbia, Charlotte and Washington, D.C., involving high-level Duke officials and negotiators from the DNR that ultimately brought about a deal, Miller said.

The agreement that came out of the negotiations still gives Duke a tax advantage, in addition to receiving \$21 million as payment for the property. But Frampton said it's structured so that the Mellon Foundation won't participate in any of the acquisition that involves the tax break.

According to the agreement, the

Mellon Foundation will buy 16,000 acres with its \$10 million. The state, however, will let Duke "give" a portion of the acreage to the state so the company can gain a tax advantage. The state will then buy the rest of the property outright, Frampton said. The state is spending \$11 million altogether, the DNR said.