



United States Department of the Interior



FISH AND WILDLIFE SERVICE

P.O. Box 1306

Albuquerque, New Mexico 87103

In Reply Refer To:
FWS/R2/WSFR
AZ E-36-RL-1

OCT 12 2010

SURNAME
ECannon 10/5/10
COster 10/6/10
Walt Hunkin 10/6/10
S. Johnston 10/12/10

Larry D. Voyles, Director
Arizona Game and Fish Department
5000 W. Carefree Highway
Phoenix, Arizona 85086-5000

Attention: Richard Miller, Funds/Planning Manager

Dear Mr. Voyles:

The enclosed Application for Federal Assistance (AFA), AZ E-36-RL-1, Amendment No. 1, formerly known as Sonoita Creek Ranch Acquisition to Protect Habitat for Gila topminnow and other Threatened and Endangered Species (TES) is now titled Horseshoe Ranch Land Acquisition to Protect TES Habitat is conditionally approved for funding under the Endangered Species Recovery Land Acquisition Grant Program (CFDA# 15.615). Since Sonoita Ranch could no longer be acquired, the Arizona Game and Fish Department (the Department) requested the Horseshoe Ranch acquisition project be substituted. It was competitively evaluated and ranked equally to the original project. Therefore, the purpose of this grant now changes to the Department (the Department), as grantee, acquiring in fee simple the 198.60 deeded acres of the Horseshoe Ranch. The Department will separately acquire the Copper Creek public grazing allotment on the Tonto National Forest consisting of approximately 35,899 acres and the Horseshoe allotment on Bureau of Land Management land consisting of approximately 32,388 acres. The Agua Fria River runs through the deeded property with tributaries of the Agua Fria known as Larry and Lousy Canyons downstream of the subject property on the Horseshoe allotment. This acquisition will benefit the following threatened, endangered or candidates species and their riparian habitat: Gila chub, Gila topminnow, Desert pupfish, Sonoran Desert tortoise, and Mexican gartersnake. Title to this interest in real property will vest with the Department. The effective date is July 1, 2010, with an agreement period of September 10, 2009 – September 9, 2012. The approved funding and cost share are as follows:

5954	Previously Approved Funding	Amendment Funding	Total	%
State/Third Party	\$ 2,500,000.00	\$ -885,000.00	\$ 1,615,000.00	61.76
Federal	\$ 1,000,000.00	\$ 0.00	\$ 1,000,000.00	38.24
Total	\$ 3,500,000.00	\$ -885,000.00	\$ 2,615,000.00	100.00

An AFA amendment will be required to add or delete a project; increase or decrease the Federal funds; revise the rate of Federal participation; or, modify the agreement period.

This grant award is subject to the following conditions:

- a. The Department must submit annually to the Chief of the Wildlife and Sport Fish Restoration Program (WSFR Program) financial and performance reports as follows: 1) Interim Federal Financial Report (SF 425) and an Interim Performance Report annually, 90 days after the 1-year

anniversary of the end of the fourth full fiscal quarter after the effective date of the grant. The interim reports (financial and performance) will be due annually no later than **December 29**. The interim report will cover the period from **September 10, 2009 – September 30, 2010**.

Subsequent interim reports will cover a 1-year period from the end date of the first interim report. 2) Final Federal Financial Report and Final Performance Report 90 days after the end of the grant period. Final reports (financial and performance) will be due no later than **December 8, 2012**.

Requests for an extension of report due date up to an additional 90 days must be submitted to, and received by, this office, before the report due date. If these reports are not received by the original or extended due date, the WSFR Program may: 1) withhold cash payments; 2) deny the use of Federal funds and credit for the use of matching cash and in-kind contributions for all or part of the award; 3) suspend or terminate the award, partially or entirely; 4) withhold further awards for the grant program; and 5) pursue other legal remedies. The sanctions that the WSFR Program imposes will remain in effect until the required reports are received.

[(43CFR12.80(b)(1); 43CFR12.81(b)(3); U.S. Fish and Wildlife Service revised "Interim Guidance for Financial Status and Performance Reporting," May 12, 2009]

- b. The U.S. Fish and Wildlife Service (Service) policy is to allow for up to 3 years for the expenditure of nontraditional Cooperative Endangered Species Conservation Section 6 funds. Any extension will require the approval from the Director of the Service and should be coordinated with this office no later than 3 months before the grant is due to expire. This grant will retain the original grant period dates.
- c. Submission of a certified appraisal indicating the market value of the real property interest (i.e., fee simple, conservation easement in perpetuity, etc.) to be acquired including in-kind match properties, if applicable. The appraisal must not only conform to Uniform Standards of Professional Appraisal Practice (USPAP), but also conform to the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA) as of December 2000 (available at www.usdoj.gov).
- d. Certified review of the appraisal, which also conforms to USPAP and UASFLA.
- e. Receipt of the notification to the landowner of just compensation for the property to be acquired (Example form enclosed).
- f. Surveys, maps, and legal descriptions delineating the interest in real property to be acquired including in-kind match properties if applicable.
- g. Title Vesting Evidence, such as a title insurance policy or a certificate from the Attorney General or other authorized State official, signifying that title is vested in the real property interest acquired by the grantee or subgrantee.
- h. As outlined in the Assurances -- Construction Programs form (SF 424D), the grantee will record the Federal interest in the real property acquired with Endangered Species Recovery Land Acquisition Grant Program funded by the Secretary of the Interior. The Department will also include a covenant in the recording instrument acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
- i. All grant conditions in the previous award letter remain in effect.

This office will notify you in writing once the preliminary land conditions c. to f. have been met and final approval is granted for the property to be acquired. The final land conditions g. and h. can be met upon completion of this purchase. Final documents to be received include the summary of the land costs which outlines the approved costs associated with this acquisition (copy enclosed), deed (recorded instrument), settlement statement, and final title vesting evidence to this office.

Acceptance of a Federal financial award carries with it the responsibility to be aware of and comply with the terms and conditions of the award, including those assurances submitted annually by your agency (per <http://www.doi.gov/pam/TermsandConditions.html>). Acceptance is defined as the start of work, drawing down funds, or accepting the award via electronic means. Awards are based on the application and supporting documents as submitted to and approved by the WSFR Program.

Please contact Carlotta Ortiz, Grant Manager, at 505-248-7456, or me at 505-248-7465, with any questions or concerns about the terms of this award.

Sincerely,

Stephen M. Robertson
Chief, Wildlife and Sport Fish Restoration Program

Enclosures

cc: Assistant Regional Director, Ecological Services (Attn: Marty Tuegel), USFWS, Region 2