

Chronology of the Roscoe C. Hobbs Estate Acquisition by the State of Arkansas

Roscoe C. Hobbs

Born in northwest Arkansas in 1881, Roscoe C. Hobbs began his career in the railroad business around 1908. Hobbs served as manager of Arkansas and Oklahoma Western Railroad (renamed the Kansas City and Memphis Railway), a short-line railway which served that area. This led to his interest in land and timber. He began buying land and selling timber for profit when he founded the Ozark Tie Company of Rogers. Hobbs later moved to St. Louis, Missouri to expand his business and changed the name of the company to the Hobbs-Western Tie Company which became the leading railroad tie supplier for the nation. The railroad tie business was where Hobbs made his fortune.

Hobbs donated 320 acres to the state of Arkansas in 1962 for the establishment of Withrow Springs State Park in Madison County near Huntsville.

Hobbs died in 1965.

The Acquisition of the 11,644-acre Hobbs Estate

In 1977, the estate's heirs were seeking to sell the 11,644-acre Hobbs property asking \$350 an acre for a sale price of \$4,075,400. The tract of land comprised approximately 11,644 acres that stretched across a scenic part of Benton County southeast of Beaver Lake and extended into Madison and Carroll Counties. The property featured a good stand of upland hardwood mixed with short-leaf pine and represented the last remaining large undeveloped parcel of land in northwest Arkansas. Roscoe Hobbs had used the property primarily in his forest product business. Under Hobbs' management, the area was maintained in timber and selectively harvested for timber products including railroad ties. Always concerned about preserving the natural beauty of his land, Hobbs did not believe in clear cutting timber or using herbicides.

C. J. "Cal" Spivey of Rogers served as the broker for Rivercliff Realty of Rogers which had exclusive listing of the land. The trust officer was **Ed Hoernerhoff** with the St. Louis Union Trust Company.

A number of persons in northwest Arkansas were interested in seeing the land preserved in a natural state. Among those most instrumental in the project was **State Senator Morriss M. Henry** of Washington and Crawford counties.

In October 1977 the tract was offered for sale to the Arkansas Game and Fish Commission. Over the next several months, the Commission investigated the

acquisition of the property including its potential for management as a fish and wildlife area, its value and asking price, and possible financial arrangements.

In June 1978, a California real estate development firm made a firm offer for the property and entered into an escrow agreement. According to Spivey, however, there were some problems in financing that would probably take three or four weeks to work out.

After learning that the California firm had made an offer for the property and that it might be sold, Henry organized a meeting of legislators including **State Representative Richard L. "Dick" Barclay** from northwest Arkansas in June 1978 to discuss the property and then led a delegation of six legislators to express their interest in the land to the Arkansas Game and Fish Commission.

Although a large amount of support for Arkansas Game and Fish Commission acquisition was generated by northwest Arkansas residents in the efforts spearheaded by Henry, the Commission found in June 1978 that it was financially unable to make the acquisition itself because of other large financial obligations. The Commission could not afford to purchase the property because it was spending about \$1 million a year to pay for two other large tracts it had purchased on the Buffalo and Spring rivers.

The Arkansas Game and Fish Commission adopted a resolution at its meeting on Tuesday, June 20, 1978, saying an 11,644-acre estate on Beaver Lake was highly desirable land for public use, but it was financially unable to consider buying the land. The resolution suggested the land be purchased by the state for recreational purposes.

The Arkansas Department of Parks and Tourism was also interested in the land and would have to get financing from the legislature to buy it. The department's State Parks Division had become interested in the property during the winter of 77-78 after it was brought to the staff's attention by **Lee Zachary** of Springdale, the executive director of the Springdale Chamber of Commerce who also served as a member of the State Parks, Recreation and Travel Commission. Division staff visited the property and returned with a very favorable report on the tremendous potential it possessed.

State Parks Division Director **Richard Davies** and Manager of Planning and Development **Bob Moody** suggested the best chance for the state to acquire the property would be for Parks and Tourism to enter some sort of "package" arrangement with AGFC represented by Director **Andrew Hulse** and the Arkansas Natural Heritage Commission under Director **Harold Grimmett**. The State Parks Division would only want enough acreage, preferably with lake frontage, for a state park. The rest of the property could be used as a wildlife management area with certain areas set aside as natural areas.

Following the June meeting of the Arkansas Game and Fish Commission, Henry also attended the June 1978 meeting of the State Parks, Recreation and Travel Commission (SPRTC). The SPRTC adopted a resolution of support for any state effort to acquire the property. The property was now under the control of the St. Louis Union Trust Company. Any sale of the land would have to be approved by the trust company and the heirs: Mrs. Henry Schlapp, Hobbs' daughter, and her three children, and David Cordell, the son of another daughter, who was deceased. All were of St. Louis.

Local residents who feared it would be decimated by commercial development then turned their efforts toward the state legislature and **Governor David Pryor**. Within a few days, Governor Pryor determined that every effort should be made to purchase the Hobbs tract for the state of Arkansas and directed his staff to assume responsibility for the acquisition. The Governor invited three of the state's landowning natural resource agencies—the Arkansas Game and Fish Commission, the Division of State Parks of the Arkansas Department of Parks and Tourism, and the Arkansas Natural Heritage Commission of the Arkansas Department of Natural and Cultural Heritage [now known as the Department of Arkansas Heritage]—to participate in the acquisition project.

The Governor's staff brought together representatives of the three agencies named above, the Arkansas Department of Local Services that at the time administered the federal outdoor recreation matching funds, the Arkansas Department of Finance and Administration, and Fayetteville banks. The three state agencies were interested but none could make any appreciable contributions. A number of possible methods of financing were discussed including varying combinations utilizing available agency funds, Governor's funds, Arkansas's Land and Water Conservation Funds, new state appropriations, assistance from northwest Arkansas banks and ****The Nature Conservancy of Arlington, Virginia**, the national nonprofit organization that specializes in land negotiations for the purpose of saving natural acreage from development. [NOTE: The Arkansas Game and Fish Commission had earlier, out of desperation because of its financial limitations at the time, contacted The Nature Conservancy about its participation in this land purchase.]

Subsequently, the Governor made Arkansas's interest in the land known to the bankers acting as trustees and flew to St. Louis on June 28, 1978 to meet with them in person.

The Governor contacted **Interior Secretary Cecil D. Andrus** and requested the assistance of **U. S. Senator Dale Bumpers** and **U.S. Senator Kaneaster Hodges** in securing money from the Interior Secretary's discretionary fund.

Hodges had been in full support of the Arkansas Game and Fish Commission's earlier property acquisition study and had helped bring The Nature Conservancy into those

discussions. He, the Governor and his staff worked with **David Morine**, vice president and head of land acquisition for The Nature Conservancy.

On June 27, a second meeting was called by the Governor's chief of staff, **Ray Scott**. At this meeting were representatives of **Arkansas Attorney General Bill Clinton**, The Nature Conservancy, several more northwest Arkansas banks, and the three state resource agencies. They explored in greater detail how the purchase could be done both financially and tactically and how to distribute responsibilities. The Governor's Office with the aid of the banks and The Nature Conservancy would make the financial arrangements and conduct negotiations. The other agencies would provide technical support. The project had the full support of Attorney General and gubernatorial candidate Bill Clinton.

[NOTE: Governor Pryor also considered calling a special session of the state legislature during August 1978 if some of the problems "cannot wait until January to be resolved." Among the items foremost in his considerations was the state's desired purchase of the Hobbs tract. The special session was able to be avoided.]

While Governor Pryor was reaching a purchase agreement with the Hobbs Estate trustees, these financial arrangements were being developed:

- 1) The Arkansas Legislative Council resolved on July 20, 1978, to support an appropriation of approximately \$2,000,000 in state funds for the purchase.
- 2) Senator Bumpers received a commitment from Secretary of the Interior Cecil D. Andrus for \$750,000 in monies from the Interior's Contingency Reserve Fund from the federal Land and Water Conservation Fund, a fund set aside for projects of national or regional significance and those urgently in need of funds.
- 3) **Ron Copeland**, director of the Arkansas Department of Local Services committed \$531,247 of Arkansas's annual apportionment of the federal Land and Water Conservation Fund monies.

[NOTE: Later to the Arkansas Legislative Council, Governor Pryor described the month-long negotiations with the estate trustees as "delicate and difficult" negotiations in which he, too, was also personally involved. Staff members of The Nature Conservancy, however, acted as the state's negotiators.]

Because the state-appropriated funds would not be available for at least six months during the regular session of the legislature and the trustees refused to hold up the sale for that period, as an emergency move to preserve the property until state and federal funds could be secured to buy it, it was necessary to obtain the services of The Nature Conservancy for pre-acquisition. The Nature Conservancy would secure the option to buy the \$3,175,000 tract.

A coalition of 22 northwest Arkansas banks would make this possible by pooling their resources to finance the interim purchase of the Hobbs tract by The Nature Conservancy with only the land as collateral for the loan. **John Lewis**, chairman of the Board of the First

National Bank of Fayetteville, which acted as the leader in coordinating the group loan arrangement, led this effort. All the banks in Washington, Benton, Carroll and Madison Counties agreed to participate in putting up the funds for this loan of \$3,175,000. The loan was to be shared on a pro-rated basis according to each bank's assets and made at the prime interest rate of 9 percent. Among those who were instrumental in the banks' financial participation were **Jim Walton** of Bentonville, chairman of the Board of the Bank of Pea Ridge; his father, **Sam Walton** of near Bentonville, owner of the Wal-Mart chain as well as interest in several northwest Arkansas banks; and **Hayden McIlroy, Jr.**, chairman of the Board of the McIlroy Bank of Fayetteville. The decision to provide the loan was made by the top officers and board of directors of each bank as a civic endeavor. [In addition, U.S. Senator Kaneaster Hodges and U.S. Senator Dale Bumpers were helping to arrange the line of credit with the northwest Arkansas banks.]

As soon as the 72nd General Assembly appropriated the required funds, the state would then purchase the tract from The Nature Conservancy.

Throughout the summer, fall and winter of 1978, State Parks Division staff set up coordinating meetings with the various agencies that executed their responsibilities with regards to the project. The commissions governing the three agencies each resolved to support the project and to contribute whatever assistance was possible.

The Natural Heritage Commission conducted preliminary ecological survey of the tract's geology and biota, the Arkansas Game and Fish Commission provided information on both wildlife and habitat, and the State Parks Division conducted a feasibility study, surveyed the property boundary and assisted in drafting the appropriation bill. The Arkansas Department of Local Services prepared, with date submitted by the other three agencies, a federal grant application. The Attorney General's Office conducted a title search and rendered a title opinion.

Agreement between the three agencies was reached on scheduling and procedures for developing management/use plans for the property. State Parks staff drafted a cooperative agreement for the State Parks Division of the Arkansas Department of Parks and Tourism, the Arkansas Game and Fish Commission, and the Arkansas Natural Heritage Commission of the Department of Arkansas Natural and Cultural Heritage to share management of the property.

As soon as the acquisition plans were formulated, The Nature Conservancy acquired an option to purchase the Hobbs tract and in late 1978 exercised the option and purchased the land with monies (\$3,175,000) loaned by the banks of northwest Arkansas.

Immediately after the convening of the 72nd General Assembly, **Governor Bill Clinton** requested an appropriation of \$2,000,000 in state funds and \$1,250,000 in federal funds to purchase the land from The Nature Conservancy. State Representative Richard L. "Dick" Barclay of Rogers handled Senate Bill 178 in the House of Representatives where

it received a unanimous vote. Senate Bill 178 of 1978 was passed and signed into law by the Governor on February 14, 1979 [Act 128 of 1979].

During a formal ceremony at the Springdale Rodeo Community Center in Springdale on February 19, 1979, Governor Clinton purchased, in the name of the Arkansas Department of Parks and Tourism, the 11,644-acre Hobbs tract from The Nature Conservancy. The Governor officially passed on \$1,990,605 in state funds and \$1,250,000 in federal funds to David Morine, vice president and head of land acquisition for The Nature Conservancy for the purchase total of \$3,240,605 [approximately \$279 per acre]. Also participating in the ceremony were former U.S. Senator Kaneaster Hodges; State Senator Morriss Henry; **State Senator Larry Douglas; Jim Herrin**, representing the coalition of northwest Arkansas banks; and Lee Zachary of Springdale, executive director of the Springdale Chamber of Commerce and member of the State Parks, Recreation and Travel Commission. Among the many dignitaries attending the ceremony were commissioners and representatives from each of the three state agencies including **Parks and Tourism Executive Director Jo Luck Wilson**.

*At Governor Dale Bumpers' request, Kaneaster Hodges, Jr. of Newport took the lead in getting the legislation passed that created the Arkansas Environmental Preservation Commission in 1973. Governor Bumpers appointed Hodges to serve as the Commission's first chairman. The Commission was renamed the Arkansas Natural Heritage Commission in 1975 when it became an agency of the Department of Arkansas Heritage. He served as its chairman from 1973-1976 until he resigned to accept a position on the Arkansas Game and Fish Commission.]

**NOTES FROM THE NATURE CONSERVANCY'S WEB SITE: Founded in 1951, The Nature Conservancy is a leading conservation organization working around the world to protect ecologically important lands and waters for nature and people. Today, The Nature Conservancy works in all 50 states and more than 30 countries. In 1982, The Nature Conservancy created its Arkansas Chapter, the 29th established in the United States, with a \$1 million challenge grant from the Winthrop Rockefeller Foundation. The Conservancy had already been at work in Arkansas since the 1970s, acquiring lands that became Hobbs State Park-Conservation Area, Overflow National Wildlife Refuge and Logoly State Park. In 1978 cooperative efforts of the Conservancy and the Arkansas Natural Heritage Commission launched the Arkansas Natural Heritage Inventory Program, the central repository of data on the state's biodiversity. In 1987, the Arkansas Nature Conservancy purchased and transferred 4,400 acres to Arkansas State Parks and the Arkansas Natural Heritage Commission for the creation of Cossatot River State Park-Natural Area.