

Virginia Land Conservation Foundation Board of Trustees

October 3, 2013

State Capitol Building, Richmond, Virginia

MINUTES

Virginia Land Conservation Foundation Board of Trustees Members Present

The Honorable Douglas Domenech
Alexandra Liddy Bourne
The Honorable Emmett Hanger, Jr.
The Honorable Jill Holtzman Vogel
Steven Apicella
Robert Beals
Margaret Davis
Herbert L. Dunford, Jr.
Ollie Kitchen, Jr.
Anna Lawson
Robert Lazaro, Jr.
Mary Helen Morgan
Brooks M. Smith
Kevin Schmidt, for Todd Haymore

Virginia Land Conservation Foundation Board of Trustees Members Not Present

R. Brian Ball
R. Brent Blevins, Jr.
Robert L. Davenport, Jr.

Agency Staff Present

David A. Johnson, DCR Director
Jeb Wilkinson, DCR
David C. Dowling, DCR
Michael R. Fletcher, DCR
Sarah Richardson, DCR
Suzan Bulbulkaya, DCR
John Moore, DCR
Synthia Waymack, DCR
Tom Smith, DCR
Carl Garrison, Virginia Department of Forestry
Mike Santucci, Virginia Department of Forestry
Diana Gaston, Virginia Department of Taxation
Larry Durbin, Virginia Department of Taxation
Deb Van Duzee, DGIF
Julie Langan, Department of Historic Resources

Others Present

Brett C. Glymph, Virginia Outdoors Foundation
Peter Glubiak, King William County
Nikki Rovner, The Nature Conservancy

Call to Order

Secretary Domenech called the meeting to order and declared a quorum present.

Approval of Minutes from December 6, 2012

MOTION: Mr. Lazaro moved that the minutes from the December 6, 2012 meeting of the Virginia Land Conservation Foundation Board of Trustees be approved as submitted.

SECOND: Mr. Apicella

DISCUSSION: None

VOTE: Motion carried unanimously

Virginia Land Conservation Foundation Update

Ms. Richardson gave the project update.

Ms. Richardson said that grant recipients have two years to complete funded projects. She gave an update on the following:

Farmlands and Forest Preservation Category

Potomac Conservancy – Island Ford Farm

A grant request for the purchase of a conservation easement on 150 acres in Shenandoah County. The Vance family has been farming this Century Farm since the original grant from Lord Fairfax. This property, which produces beef cattle, hay and vegetables, includes 88 acres of prime farmland, 60+ acres of woodland, and 1.1 miles of frontage on the North Fork of the Shenandoah River. The easement will be co-held with the Shenandoah County Conservation Easement Authority, and will be the authority's first project. The farm uses livestock stream exclusion fencing, alternative water systems, rotational grazing, and forested riparian buffers, and these protections will be continued in the conservation easement.

Total Project Cost: \$339,550. Match: NRCS Farm and Ranchland Protection program \$165,000; landowner donation \$82,500; and Landowner and Potomac Conservancy expenses \$9,550. VLCF Grant Payment: \$82,500. Closed: July 2013.

Historic Area Preservation Category

Virginia Department of Historic Resources – Werowicomoco Archaeological Site

Purchase of an easement over 60 acres of property containing the Werowicomoco archeological site, acknowledged to be the location of paramount chief Powhatan's village and the political and spiritual center of the Powhatan tribal confederacy. Captain John Smith's diaries indicate that this is likely the location where his life was saved by Powhatan's daughter Pocahontas. Archaeological investigations have identified a heavily-occupied settlement that retains a remarkable level of physical and scientific integrity. Easement of the property will allow for preservation of a site equal in importance to historic Jamestowne, as well as preservation of scenic open space and York River waterfront.

Total Project Cost: \$600,000. Match \$500,000 (Sandra Speiden Trust and Historic Resources Fund). VLCF Grant Payment: \$80,000. Closed: December 2012.

Natural Area Protection Category

The Nature Conservancy – South Quay Natural Area Preserve, Byrds Point

Fee simple acquisition by The Nature Conservancy of the 420-acre Byrd's Point Tract as an addition to the existing 287-acre privately owned South Quay Natural Area Preserve. The tract supports 25 rare species and significant natural communities, provides significant frontage on the Blackwater and Nottoway Rivers, and is part of a 25-mile conservation corridor extending into North Carolina.

Total Project Cost: \$965,000. VLCF funds were matched with funds from a North American Wetlands Conservation Act grant. VLCF Grant Payment: \$201,775. Closed: July 2013.

Project Withdrawn

The County of Spotsylvania – “Stonewall” Jackson Amputation Site

Historic Resources Category: 81.69 acres of property located within the study area of the Chancellorsville Civil War Battlefield; withdrawn because alternate funding was obtained.

Ms. Richardson said that out of 17 total grant awards in this grant round, eight have closed and one has been withdrawn.

Ms. Richardson reviewed the remaining projects from the September 13, 2011 grant round and those due to close by the end of 2013.

	APPLICANT'S NAME	PROJECT NAME	ACRES	LOCATION OF PROJECT	Acquisition or Easement	VLCF GRANT AWARDED
	Farmlands					
1	Clarke County Conservation Easement Authority	Arkfield Farm	200.00	Clarke County	Easement	\$40,000
2	Clarke County Conservation Easement Authority	Moore & Doresey	151.00	Clarke County	Easement	\$80,000
	Forestlands					
3	Meadowview Biological Station	Pitchers for the Public!	17.00	Caroline County	Acquisition	\$50,500
	Historic Resources					
4	Shenandoah Valley Battlefields Foundation	Island Farm – Cedar Creek Battlefield	174.00	Shenandoah County	Easement	\$225,000 + \$13,967 from Parks and Open Space
	Natural Areas					
5	Cheroenhaka (Nottoway) Tribe	Cheroenhaka Protected Land	155.73	Southampton County	Acquisition	\$150,000
	Parks and Open Space					
6	Northern Virginia Park Authority	Gilbert's Corner Regional Park	68.28	Loudoun	Acquisition	\$200,000
7	City of Salem Planning Dept.	Roanoke River Greenway	8.78	City of Salem	Acquisition	\$33,825
8	Spotsylvania County	Whitehall Trail Easement	9.37	Spotsylvania County	Easement	\$24,762

Ms. Richardson said that the funding from the withdrawn project would be reprogrammed into the next grant round.

Ms. Richardson said that of the 12 grant awards made in December, 2012, two have closed. One project has been withdrawn. The remaining nine have until the end of 2014 to be completed.

Farmlands and Forest Preservation Category

Fauquier County Purchase of Development Rights Program – Messick Farm PDR Project

Purchase of a conservation easement on a 408.3 acre dairy farm. Crops are grown on a portion of the property while the remainder is used for pasture for the dairy cows. More than 85 percent of the property is either prime farmland or statewide important soils. The farm borders eight properties under easements, seven of them through the Fauquier County PDR Program, so a total of 1,605 contiguous acres will be projected through conservation easements. In addition, the farm property borders approximately ½ mile of the Rappahannock River on the west side, and fencing has been constructed along the entire length to preserve the integrity of the river.

VLCF Financial Report

Mr. Moore gave the financial report. A full copy of the financial report is available from DCR.

Total liabilities and equity as of June 30, 2013 was \$3,075,280.

Update on Distribution of VLCF Stewardship Fund and Approval of 2013 Distribution

Ms. Bulbulkaya gave an update on the distribution of the VLCF Stewardship Fund. She noted that a larger portion of the budget reviewed by Mr. Moore included \$1.2 million in the Stewardship Fund. She said these funds were transferred from the Virginia Department of Taxation to DCR.

Ms. Bulbulkaya gave the following update:

History of VLCF Stewardship Fund

- Created by legislation in 2010 – Va. Code §58.1-513 (C)(2)
- Imposes a 2% fee on the sale of LPTCs
- Distributions are calculated based on the number of easements and fee simple gifts accepted by a land trust or conservation agency for which the land owner applied for tax credits in the past 3 years.
- Federal entities cannot receive these funds
- 2013 is the third year VLCF will be distributing these stewardship funds

Mr. Dowling noted that, based on a prior conversation of the VLCF, the Code was changed so that funds were not disbursed to the federal government.

Ms. Bulbulkaya noted that 2011 was the only year that federal entities were included as recipients. She reviewed the distribution for the past three years.

Year	Amount	# of Recipients
2011	\$117,762	56
2012	\$2,210,118	52
2013	\$1,236,939	52

Ms. Bulbulkaya reviewed the chart showing the distribution of the Stewardship Fund for 2013. A full copy of the chart and distribution is available from DCR. She noted that the chart shows the calculations as directed by the Code. She said that DCR needed Board approval to issue the payments.

MOTION: Mr. Dunford moved that the Virginia Land Conservation Foundation Board of Trustees approve the VLCF Stewardship Fund distributions for 2013 as presented by DCR staff.

SECOND: Senator Vogel

DISCUSSION: None

VOTE: Motion carried unanimously

Land Preservation Tax Credit Program Update

Diana Gaston from the Virginia Department of Taxation gave an update regarding the Land Preservation Tax Credit Program.

Ms. Gaston said that since 2000, the Land Preservation Tax Credit (LPTC) had issued over \$1.3 billion in credits. She noted that, to date, 2013 had been a slow year with only 14 applications. She said that the normal pattern was to be busy in November and December, but that this year was particularly slow.

Secretary Domenech asked if the requests still being processed for 2012 would count for 2012 or for 2013.

Mr. Durban with the Tax Department said that normally there would be a higher volume in 2013. He said that up until 2012 the program had always reached the cap. He said that it was not unusual to receive information for donations from prior years.

Ms. Bourne asked if there needed to be a discussion regarding getting this information out to the public.

Ms. Gaston said that it would be helpful to make sure that appraisers had the appropriate information.

Mr. Durban said that the department had limited resources but did outreach where possible. He said that the Department works with some of the private land trusts for presentations on the credits.

Ms. Bourn asked if zoning changes were made by the locality on land where a tax credit had been given if that would change the value of the credit.

Ms. Gaston said that once the tax credit was issued there were no changes unless there was an audit.

Ms. Gaston said that previously the Department website had indicated that if applications were submitted by December 1 they would be processed by the end of the year. That has been changed for 2104 to recommend that applications be submitted by the first business day of November.

Land Preservation Tax Credit Review 2012 Presentation

Ms. Bulbulkaya reviewed the Land Preservation Tax Credit Annual Report for 2012. She noted that the report was due in December. She reviewed the initial findings of the report.

2012 LPTC Findings

- Cap increased from \$108.4 M to \$111.1 M
- As of 9/27/13, available balance of 2012 cap is \$53,624,027
- Through July 2013, TAX received 201 applications
- 42,086 acres protected in 68 localities
- Most claimed Conservation Purpose was Preservation of Scenic Open Space
- 13 applications were submitted for DCR review of \$1 million or more in LPTCs

2012 Top Localities for Number of LPTC Applications

Rank	County	Number of Applicants	Total Acres	Credit Requested
1.	Albemarle	17	1,832	\$4,456,760
2.	Fauquier	14	3,662	\$4,647,800
3.	Loudoun	9	1,180	\$8,591,776
4.	Essex	8	2,101	\$1,958,870
5.	Bedford	6	1,574	\$1,244,800

Ms. Bulbulkaya said that credits were applied for in a total of 68 localities, 12 of which had five or more applications.

2012 LPTC Working Lands
(SB384, 2012 Senator Hanger)

- Land owners reported:
 - 14,238 acres were used for production agriculture, of which 11,996 acres (84%) are reported to have BMPs to protect water quality.
 - 11,654 acres were used for active forestland, of which all are reported to have BMPs to protect water quality.

Ms. Morgan asked about the requirement for best management practices (BMPs) and what was being done to get 100% participation.

Mr. Schmidt said that this information referred to the requirement of BMPs in the easement, not necessarily whether the property had BMPs in place. He said that it might be that the BMPs were in place in the other 16% but that was not a requirement of the easement.

Ms. Bulbulkaya said that sometimes the land owner does not want 100 ft. buffers or is receiving federal money for a CREP easement. If the BMP was required in the conservation easement, the landowner would be ineligible for CREP payments.

Ms. Richardson said that the request was for what was in the easement, not necessarily for the practices the landowner has on the ground.

Ms. Morgan said that the issue was water quality and that there should be a 100% requirement for BMPs.

Ms. Bourne said that the issue was uniformity in the process of easements being awarded credits. She suggested that for the next meeting staff prepare a report regarding requirements in the statute and that the Board have a discussion regarding uniformity of practice.

Mr. Johnson said that staff would review the practice as well as the changes to the statute that might be necessary.

Ms. Bulbulkaya continued with the presentation.

2012 LPTC Riparian Buffers
(SP979, 2011 Senator Whipple)

- Land owners reported:
 - 674,916 feet of Forested Buffers (restrictions on mowing or timber harvesting)
 - 168,487 feet of No-Plow Buffers (allows mowing or timber harvesting to maintain non-woody vegetation such as pasture or grasslands)

DCR Conservation Value Review of Sites Seeking \$1 Million or More

Year	# Reviewed by DCR	#Recorded & Filed with TAX	Total Filed with TAX	LPTC Cap	Total Acreage
2007	18		254	\$100.0 M	59,331
2008	40		224	\$102.3 M	56,000
2009	36	13 + 7 (2008) = 20	228	\$106.6 M	63,485
2010	25	14 + 3 (2009) = 17	144	\$106.8 M	41,776
2011	26	11 + 2 (2009) + 4 (2010) = 17	367	\$108.4 M	75,028
2012	13	9 + 1 (2009) + 1 (2010) + 3 (2011) = 14	201	\$111.1 M (\$53.6 M still available)	42,086

Presentation on the Virginia Land Conservation Mapping and Assessment Tools

Mr. Smith presented an overview of land conservation mapping tools.

1st Question: What is already protected?

- DCR has been collecting this data since 1986 as part of the Natural Heritage Database – managed areas
- Significantly enhanced effort to track land conservation progress on a track by track and time basis
- Making the information widely available

Virginia Land Conservation Lands Database

Includes public lands and permanently protected private lands in Virginia that serve a variety of conservation, recreation, and open-space roles.

8,147 Conservation Lands

3,841,508 acres protected in Virginia (8/2013)

Mr. Smith gave a demonstration of the use of the website tools. A full copy of this presentation is available from DCR.

Mr. Apicella asked if there was a way to track land by programs to see which programs were the most successful in terms of value of preserved lands.

Mr. Smith said that was not a part of the data collected. He said that DCR receives reports or maps but that information regarding the value of the land or the funding source is not included.

Ms. Bourne asked if there was a specific goal with regard to how much land needed to be preserved for a specific environmental benefit.

Mr. Smith said that he was not aware of a current goal. He noted that the Bay program developed a goal of 20% of the Bay area. He also noted that different governors have established goals.

Ms. Bourne said that it was a good time to discuss what land needed to be preserved for agriculture, for conservation and for economic integrity.

Senator Hanger noted that the previous two administrations have established goals of preserving 400,000 acres. He said that rather than specific goals there should be a strategic approach to priority areas and a logical policy for getting the best value.

Mr. Beals asked what neighboring states were doing.

Mr. Smith said that Maryland has done intensive statewide planning. North Carolina has done planning on a smaller scale.

Mr. Apicella noted that according to the map there were areas where there was little or no conservation effort.

Mr. Smith said that historically, Southside Virginia has had the least amount of focus on conservation. He said that there are efforts to get more done and that the Department of Forestry was having considerable success.

Ms. Bourne noted that in the eastern part of the state that the focus has been on the Chesapeake Bay and water quality since the 1990s.

Partner Agency Reports

Virginia Department of Agriculture and Consumer Services

Mr. Schmidt said that VDACS is now working to protect 6,035 acres in 12 localities. He said that includes 36 easements at a projected total cost of \$16.4 million.

Mr. Schmidt said that VDACS works to leverage funds with local funds. He noted that an additional \$2 million has been allocated in a manner similar to VLCF funding. Those projects are waiting to close.

Department of Conservation and Recreation

Mr. Johnson said that in all of the discussions regarding conservation that Virginia has a good program with many opportunities to bring land under conservation easement. He said that regarding the targeting of lands that the process could improve. He noted that quite a bit of targeting was being directed to cultural heritage sites.

Mr. Johnson noted that the recent recession has many wishing to sell land, but that DCR does not have the funding to buy.

Ms. Morgan asked about progress concerning Natural Bridge.

Secretary Domenech noted that Natural Bridge is currently privately owned. That includes the bridge and a number of attractions. The current owner is interested in liquidating the property. A broker has been retained to work on finding a conservation buyer for the property.

Department of Forestry

Mr. Santucci said that the focus of the DOF easement program was specifically for forested lands. He said that DOF would accept easements on lands with large forested tracts as long as there was a long term goal of the land remaining forested.

Mr. Santucci said that the DOF program is relatively young but by the end of the year DOF expected to have around 100 easements. He said that roughly 27,000 acres are currently under easement. He noted that this was also the 100th Anniversary of the Department of Forestry.

Department of Game and Inland Fisheries

Ms. Van Duzee said that since the last meeting DGIF had officially closed on 447 acres in Accomack County. An additional 190 acres in that area is currently held by the Wildlife Foundation. DGIF hopes to start the acquisition of that property in the next few months.

Ms. Van Duzee said that DGIF is also working on 1.8 acres in Caroline County that will provide boating access to the Mattaponi River.

Secretary Domenech noted that DGIF is the largest land owner in the Commonwealth.

Department of Historic Resources

Ms. Langan said that DHR currently has 567 easements on over 36,000 acres. She said that DHR is working to close an additional 17 projects by the end of the year to bring the total acreage to 2,500 for the year.

Ms. Langan said that DHR is heavily focused on battlefields. To date, 15 of the easements for 2013 are battlefields.

Virginia Outdoors Foundation

Ms. Glymph said that she was the new director of the Virginia Outdoors Foundation. She distributed a copy of the VOF newsletter.

Ms. Glymph said that the VLCF Stewardship Fund was critical to the work of the VOF. She said that VOF holds over 3,500 easements. The funding from VLCF makes those possible.

Secretary Domenech asked if Ms. Glymph had thoughts about how VOF could have a larger presence in Southside Virginia.

Ms. Glymph said that VOF has some ideas and is looking to partner with the Department of Forestry. She noted that Southside is a large forest area and that while there was opportunity, there was not enough promotion in the region.

Public Comment

Mr. Peter Glubiak said that he had just returned from a National Land Trust Conference. HE said that the Virginia model of land conservation has garnered a lot of national publicity. He said that the program is one of the premier programs in the nation. He noted that the only other state with the equivalent in tax credits is Colorado. He commended the work Virginia is doing.

Closing Comments and Adjournment

Secretary Domenech said that he would like to see staff explore the issues related to requiring BMPs on all VLCF easements.

Mr. Johnson said that DCR would pursue that issue.

Ms. Bourne said that this would be a good time to review the uniformity of the process.

Mr. Dowling said that it may be a matter of rephrasing the information on the tax form and clarifying the question.

There was no further business and the meeting was adjourned.

Respectfully submitted,

The Honorable Douglas Domenech
Secretary of Natural Resources

David A. Johnson
DCR Director