Virginia Land Conservation Foundation Board of Trustees
Tuesday, June 16, 2015
Senate Room 3, State Capitol
Richmond, Virginia

D R A F T M I N U T E S

Virginia Land Conservation Foundation Board of Trustees Members Present

The Honorable Molly Ward, Secretary of Natural Resources
Byron M. Adkins, Jr.
R. Brian Ball
Alexandra Liddy Bourne
Herbert L. Dunford, Jr.
Ollie Kitchen, Jr.
Mary Helen Morgan
The Honorable John Paul Woodley, Jr.
Sam Towell, for The Honorable Todd Haymore
Steven L. Apicella
R. Brent Blevins, Jr.
Susan E. Donner
The Honorable Emmett Hanger, Jr.
Anna Lawson
The Honorable Albert C. Pollard, Jr.

Virginia Land Conservation Foundation Board of Trustees Members Not Present

Joan Fenton
Robert Lazaro, Vice Chair
Jay C. Ford
The Honorable Jill Holtzman Vogel

Agency Staff Present

Clyde Cristman, Director, DCR
Suzan Bulbulkaya, DCR
Larry Durbin, VTAX
Julie Morris, DPB
Debbie Puzzo, DCR
Mike Santucci, DOF
Andy Sorrell, VDACS
Elizabeth Tune, DHR
Michael Fletcher, DCR
Diana Gaston, VTAX
Wendy Musumeci, DHR
Sarah Richardson, DCR
Tom Smith, DCR
Larry Traylor, VTAX
Deb Van Duzee, DCR

Others Present

Joseph H. Maroon

Call to Order

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

Secretary Ward spoke about the Governor's Virginia Treasures Initiative. She said that the Governor had reexamined the 400,000 acre goals of the last two administrations to see if another

such goal was advisable. She said that because the concentration had been on larger portions of land that often smaller parcels and other inholdings adjacent to state lands were being overlooked. She said that the Governor wanted to give more focus and attention to significant properties.

Secretary Ward asked Mr. Cristman to give a budget update.

Mr. Cristman said that regarding the VLCF fund there was an availability to do a second grant round. Available funds were awarded at the last meeting. Since that time, the General Assembly appropriated an additional five million dollars. Included in that appropriation are funds for agricultural Purchase of Development Rights and expanded funds for battlefields, including War of 1812 and Revolutionary War battlefields and not just civil war battlefields as in the past.

Approval of Minutes from January 6, 2015

MOTION: Mr. Dunford moved that the minutes of the January 6, 2015 meeting of the Virginia Land Conservation Foundation Board of Trustees be approved as submitted by staff.

SECOND: Ms. Lawson

DISCUSSION: None

VOTE: Motion carried unanimously

2015 Annual Report Presentation

Ms. Bulbulkaya presented the 2015 Annual Report. A copy of the report was provided to members and is available from DCR.

Ms. Bulbulkaya said that the report had just been published and that it highlighted the most recent grant round awarded in January. The report also includes past ground rounds in the appendix as well as grant round criteria.

Ms. Richardson said that the report contains statistical data regarding projects funded and land conservation in Virginia. She noted that the report is also available on the General Assembly website.

VLCF Projects Update

Ms. Richardson noted that there was little to report regarding current projects. While progress was being made, there were no updates for projects that were just granted funding at the January 2015 meeting. She said that the information was available on page 46 of the annual report for the December 2012 grant round.

Ms. Richardson noted that the report shows three projects remain open, however the Montgomery County project has now closed. She said that the other two have requested extensions and have been granted an additional year to finish up.

Mr. Apicella asked about the two projects withdrawn and what would happen to the funding.

Ms. Richardson said that the funding for those projects would go back into the original approved category from which they were awarded.

FY16 Second Grant Round Schedule

Ms. Richardson reviewed the grant round schedule as mailed to members.

2015 VLCF Schedule

Tuesday, June 16, 2015	VLCF Board meeting to approve grant round and guidelines for dispute resolution.
No later than June 26, 2015	Announce official opening of grant round (emails, postcards).
Tuesday, July 21, 2015	Workshop for grant applicants.
Wednesday, August 19, 2015 At 4:00 p.m.	Deadline for application submittal.
Sept. 3 and 10, 2015	Interagency task force meetings to score projects.
Mid-September	SNR review of top-scoring projects.
Early October	VLCF Board meeting. Approval of grant awards.
By November 30, 2015.	Grant agreements signed. Projects have two years to close.

Mr. Cristman noted that the last grand round was under a tight deadline, but that this time applicants have just shy of two months.

Ms. Richardson said that the workshop was not mandatory, but highly recommended.

Ms. Morgan asked if the application was provided with the announcement.

Ms. Richardson said that the link to the grant manual, which contains the application, is provided.

Mr. Dunford asked about projects that do not close within two years.

Ms. Richardson said that staff asks for an update regarding the project every six months.

Mr. Cristman said that the two-year deadline was not hard and fast and that staff could be flexible if the project is nearing completion. However, if no progress is made in two years there may be a consideration to pull the funds back.

MOTION: Mr. Apicella moved that the Virginia Land Conservation Foundation Board of Trustees approve the FY16 Second Grant Round Schedule as presented by staff.

SECOND: Mr. Blevins

DISCUSSION: None

VOTE: Motion carried unanimously

Changes to Historic Resources Scoring Criteria

Ms. Tune discussed the recommended changes to the Historic Resources Scoring Criteria. These changes were addressed in the draft 2015 Grant Program Manual.

Ms. Tune said that the changes were based on enabling legislation in the 2015 General Assembly Session that would clarify the types of properties that qualify for the program. The new language explains which properties are considered historically significant and would qualify. The battlefield definition was expanded to include the Civil War, the War of 1812 and the American Revolution.

Ms. Tune said that the scoring criteria would also require that the land owner be knowledgeable with regard to the historic resources program and have an understanding of the program requirements.

Ms. Bourne asked how the historic properties were validated.

Ms. Tune said that the property must be listed in the Virginia Landmarks Register. The nomination process starts with DHR staff. Staff works with the property owner to go through the vetting process.

It was recommended that the requirements for Historic Resources be edited to be more in line with those for Natural Heritage.

Ms. Morgan said that with regard to agriculture the language says that a farm management plan must be written, but does not specify that a plan must be in place.

Secretary Ward reviewed the recommended changes as follows:

Page 7, 2nd paragraph – change "to the degree the project" to "to the following criteria."

Page 10, fourth bullet point – if not achieved, the funds are not awarded.

Page 31, item six – strike as written, reformat with item 7 from Natural Heritage category.

Page 32, item D – strike "or has the owner begun the process of obtaining"

MOTION: Ms. Morgan moved that the Virginia Land Conservation Foundation Board of Trustees approve the 2015 Grant Program Manual as presented with the above amendments.

SECOND: Mr. Ball

DISCUSSION: None

VOTE: Motion carried unanimously

Expenditure Plan Update and Approval

Ms. Bulbulkaya reviewed the expenditure plan.

VIRGINIA LAND CONSERVATION FOUNDATION
FUNDING SUMMARY PLAN FOR 2015 GRANT ROUND

FUNDING CATEGORIES	CHAPTER 665 (FY16) APPROPRIATION ACT	TOTAL	ROW
VOF	750,000	750,000	1
Open Space and Parks	562,500	562,500	2
Natural Area Protection	562,500	562,500	3
Historic Area Preservation	562,500	562,500	4
Farmland and Forest Preservation	562,500	562,500	5
TOTAL	3,000,000	3,000,000	
Amount reserved for Grant Program = $2,250,000			

Item 358 D of Chapter 665 of the 2015 Virginia Acts of Assembly

D.1. Included in the amount for Preservation of Open Space Lands is $1,000,000 the first year and ~~$1,000,000~~ *$4,000,000* the second year from the general fund to be deposited into the Virginia Land Conservation Fund, § 10.1-1020, Code of Virginia. Of these funds, after Virginia Outdoors Foundation's Open-Space Lands Preservation Trust Fund statutory distribution obligations have been satisfied, no less than 50 percent of the remaining appropriations are to be used for grants for fee simple acquisitions with public access or acquisitions of easements with public access. This appropriation shall be deemed sufficient to meet the provisions of § 2.2-1509.4, Code of Virginia. [Grant Funds]

2. Included in the amounts for Preservation of Open Space Lands is $2,000,000 the first year and $2,000,000 the second year from nongeneral funds to be deposited into the Virginia Land Conservation Fund to be distributed by the Virginia Land Conservation Foundation pursuant to the provisions of § 58.1-513, Code of Virginia. [Stewardship Funds]

§ 10.1-1020. Virginia Land Conservation Fund; purposes of Foundation.

C. In any year in which the Fund contains less than $10 million in new deposits on September 1, and after an allocation for administrative expenses has been made as provided in subsection G, the remaining unrestricted funds in the Fund shall be allocated as follows:

1. Twenty-five percent shall be transferred to the Virginia Outdoors Foundation's Open-Space Lands Preservation Trust Fund to be used as provided in § 10.1-1801.1; and

2. Seventy-five percent shall be divided equally among the following four grant uses: (i) natural area protection; (ii) open spaces and parks, including but not limited to, land for public hunting, fishing or wildlife watching; (iii) farmlands and forest preservation; and (iv) historic area preservation. Of the amount allocated as provided in this subdivision, at least one third shall be used to secure easements to be held or co-held by a public body.

MOTION: Mr. Blevins moved that the Virginia Land Conservation Foundation Board of Trustees approve the Funding Summary Plan for the 2015 Grant Round as presented by staff.

SECOND: Ms. Lawson

DISCUSSION: None

VOTE: Motion carried unanimously

Discussion of Proposed Guidance Pursuant to HB 1488

Ms. Bulbulkaya noted that HB 1488 from the 2015 General Assembly Session directed the Board to adopt guidelines by which specific parties may request the Foundation to resolve a dispute related to the interpretation or administration of a conservation easement.

Ms. Bulbulkaya reviewed draft guidance to address this legislation.

Secretary Ward noted that staff was not asking the Board to approve the guidance but to approve a 30-day public comment period after which staff would come back to the Board for a decision.

Mr. Apicella suggested that it would be more appropriate for Alternative (b): Request for Mediation to be the first option and, Alternative (a): Request for Time on the Board Agenda to be the second option.

Mr. Cristman agreed and noted that in July DCR staff would be participating in dispute resolution training.

Mr. Gooch noted that this was an attempt to resolve conflicts without moving to the full APA process for resolution, and without the need to move to the court process.

MOTION: Mr. Woodley moved that the Virginia Land Conservation Foundation Board of Trustees approve the following actions:

1. Allow for a 30-day public comment period for this draft guidance document on conservation easement dispute resolution.
2. DCR will post the draft guidance on their website and post notice of the commend period on the Town Hall website and Virginia's United Land Trusts (VaULT) list-serve;
3. DCR will assemble the public comments and provide recommendations to the Board at the October meeting.
4. The Board will discuss comments, recommendations, and consider guidance adoption at that meeting.

SECOND: Mr. Ball

DISCUSSION: None

VOTE: Motion carried unanimously

Land Preservation Tax Credit Legislative Update

Ms. Gaston presented the Land Preservation Tax Credit Update.

What's New in LPC?

HB 1821/SB 1019 (2015)

- Reduces max credits issued from $100 million to $75 million per year in 2015 and beyond;
- Reduces max credits claimed per person from $100,000 to $20,000 in taxable years 2015 and 2016 and $50,000 for each taxable year thereafter;
- Requires LPC applications be filed by December 31 of year following the calendar year of the conveyance; and
- Prohibits Tax from issuing credits attributable to a calendar year prior to the year in which the complete tax credit application for the donation was filed.

2015 Allocations Approved Applications

Tax Year	Granted Amount	#Received
2012	$6,580	1
2013	$177,200	1
2014	$5,715,458	35
2015	$511,360	2
Grand Total	$6,410,598	39

2015 Allocations Pending Applications

Tax Year	Granted Amount	#Received
2013	$2,648,200	2
2014	$574,366	3
2015	$1,240,000	1
Grand Total	$4,462,566	6

Other Business

There was no other business.

Public Comment

There was no further public comment.

Adjourn

There was no further business and the meeting was adjourned.

Respectfully submitted,

The Honorable Molly Ward
Secretary of Natural Resources

Clyde E. Cristman
DCR Director