

MINUTES
VIRGINIA OUTDOORS FOUNDATION
MEETING OF THE BOARD OF TRUSTEES
STATE CORPORATION COMMISSION BUILDING
RICHMOND, VIRGINIA
JANUARY 18, 2005

Trustees Present: Chairman Mr. Frank Kilgore, Mr. Frank Hartz, Ms. Kat Imhoff, and Mr. Jeffrey K. Walker. VOF staff present: Executive Director Bob Lee; Leslie Grayson, Estie Thomas, Tamara Vance, and Patricia Cleary. Also in attendance were Mr. Frederick S. Fisher, Sr. Assistant to the Attorney General; Mr. Joe Maroon, Director-DCR; Mr. Tom Smith, Division Director of DCR Natural Heritage; and Ms. Nikki Rovner from the Virginia Chapter of The Nature Conservancy.

Mr. Kilgore convened the meeting at 3:00 p.m. and recognized Mr. Joe Maroon who introduced himself and spoke a little about the Department of Conservation and Recreation (DCR). Mr. Hartz made a motion to approve the order of business. Ms. Imhoff seconded the motion and it was approved unanimously.

Mr. Hartz made a motion to approve the minutes of the December 8th meeting as presented. Ms. Imhoff seconded the motion and it was approved unanimously.

Mr. Lee updated the Trustees on the tax credit sales issue and indicated that Senator Hanger had introduced a Bill placing a \$600,000 cap on the amount of tax credits eligible for sale. He said that this year's Bill is identical to the one submitted during last year's session. Mr. Lee introduced Ms. Nikki Rovner, Director of Governmental Affairs for the Virginia Chapter of The Nature Conservancy, who has been working with Virginia United Land Trusts (VaULT) on the tax credit cap issue.

Ms. Rovner distributed an analysis of the issue from the Virginia Department of Taxation and an alternate draft Bill proposed by VaULT. She indicated that the consensus from VaULT is that a cap may not be appropriate and would be arbitrary. She related that VaULT feels that there may be a way to develop a better process to avoid the possibility of fraud and abuse. The Trustees discussed the issue and the need to address various areas of concern in the process, including the assurance of conservation values in each easement, the proper valuation of each easement by a trained appraiser and the appropriate entity with authority to review each step of the process.

Mr. Walker made a motion to direct staff to work with VOF's representative in the Attorney General's office, Mr. Fred Fisher, to develop a mechanism and procedure to review and certify the conservation values of all easements held by non-state agencies. The procedure should include review by a panel made up of representatives of state agencies under the Natural Resources Secretariat, including VOF, DCR, DHR and also a representative from VaULT. The proposal should be coordinated through the Virginia Department of Taxation with a

recommendation that if a fee were proposed it be no more than 1% of the appraised value of the easement.

Mr. Lee went on to present the proposed Memorandum of Understanding (MOU) between VOF and DCR. He indicated that Mr. Seilheimer could not be present at this meeting, but had asked that the vote on the MOU be postponed until the April Trustee meeting. Mr. Maroon indicated that the timetable would be fine, but that he wanted to get comments from the Trustees as soon as possible. Mr. Fisher commented on the importance of insuring the independence of VOF so that it could carry out its statutory obligations without the entanglement of possible third party beneficiaries. Ms. Vance wanted clarification of the monitoring language specifying that DCR might help monitor easements co-held with DCR or its divisions but not monitor all of VOF's easements. Ms. Imhoff made a motion to allow the Chairman, Mr. Kilgore, to give final approval of the agreement after a review by Mr. Fred Fisher. The MOU would include language allowing either party to terminate the agreement by giving 60 days written notice to the other party. Mr. Walker seconded the motion and it was approved unanimously.

Ms. Vance announced that the Trustees would receive DVD's and training material on the FOIA and Conflict of Interest Act shortly. She also informed the Trustees that an easement donor had met with Delegate Johnston and Senator Wampler and asked for their help on a tax credit issue. The donor maintains that the Virginia Department of Taxation gave him bad advice on the transferability of tax credits. In response, the Senator and Delegate introduced a Bill (HB 2788) that would make tax credits retroactive to the year 2000.

Ms. Imhoff suggested that VOF hold an event for all CY 2004 easement donors to celebrate the record 41,603 acres recorded. She volunteered Monticello as a great place for the event and Mr. Walker suggested a weekend to make it convenient to the most people.

Mr. Kilgore adjourned the meeting at 4:50 p.m.

Respectfully submitted,

Anna G. Chisholm