



MINUTES
GEORGIA LAND CONSERVATION PROGRAM
Third Quarter Council Meeting
September 6, 2011 - 9:30 AM

Call To Order

After establishing a quorum, the meeting was called to order.

Present at the meeting were:

Council Members: Steve Stancil, Chairman, John Bembry, Brent Dykes, Stacy Patton, Robert Farris and Mark Williams.

Approval of the Minutes

Chairman Stancil presented minutes from the May 27, 2011, Georgia Land Conservation Council meeting for approval. Stacy Patton made a motion seconded by Robert Farris to approve the minutes as presented. The motion passed unanimously.

Program and Legislative Update

Curt Soper stated that 223,818 acres have been permanently protected since inception of the program; 97 grants/loans totaling 109,745 acres and 265 certified tax credit projects totaling 114,073 acres. The state's investment is \$141.9 million. Total project value/cost is \$548+ million.

Curt stated that the passing of HB346, which makes the existing land conservation tax credit transfereable will be a big help and should help increase interest in the program. This opens the tax credit incentive to land owners who are out of state and have no state of Georgia income tax liability or those that are "land rich and cash poor." We do expect it to increase interest in land conservation donations. As suggested by the Council members at the last meeting we did have a resolution of thanks signed and framed and delivered to Representative David Knight and Senator Tommie Williams. The rules will need to be revised to the tax credit program so that land owners can understand how it works and how the change is going to be implemented. We have met a couple of times with the Department of Revenue to express interest and make sure they are aware of the questions that we are getting to make sure they get addressed in the rules. We expect the rules to be drafted this month and put in place by the end of the year. There have been \$33 million credits claimed for 114,073 acres conserved so the cost is about \$289 per acre for permanent conservation of these lands. There are some concerns about the impact of potential increase in volume of applications in 2012 and other issues associated with transferability of credit. Georgia is the fifth state to make this tax credit transferable. Some states have had to go back and change legislation to avoid problems, but we think we have a better bill in place to help prevent problems. We have scheduled a meeting with the IRS to for September 15 to discuss this with them and hear about lessons learned from other states.

Curt stated that we discussed revising our scoring tool for funding agency incurred due diligence expenses associated with donated conservation easements. We do still have funds that the Council and the program can use to cover the out of pocket due diligence cost that state agencies have when receiving a donated easement. We talked about how previsouly they had to meet a certin threshold as far as the physical quality of the easement to receive that funding. We talked about how that scoring system had been created when we were talking about grants and loans and not donations. The staff presented this issue at the last Council meeting and received input and have now put in place the minimum score is 50 points rather than 55 and we have added three new categories that we

will use to score donated easements. They are 1) level of subdivision permitted; 2) number and quality of designated special conservation areas; and 3) intensity of future building allowances. It better reflects the kinds of projects that we want to fund as opposed to back when we were doing a much higher level of grants and loans.

Curt Soper stated that conservation easements are going to be the main focus for the next year or so, and gave some reminders about the strategy and how it works. They keep help working farm and forest land in those economic reproductive uses, they keep these properties in private ownership and on the local tax rolls, they may get a reduced tax value but not in all cases. Once these properties can't be subdivided or converted to asphalt then the ecosystem benefits kick in as well. A very cost effective way to conserve our natural resources. We are seeing an uptick in conservation easements due to the fact that the tax credit act in Georgia came into play and since 2006 there has also been an increase in the federal tax deductibility. A landowner might want to do a conservation easement to help ensure the long term preservation of their property; they want to honor or memorialize their family's history and traditions on the property; they want to gain state and federal tax incentives; and want to control the uses of their property beyond their ownership.

FY2012-13 GLCP Operating Plan

Curt presented the following for the Operating Plan to be approved by the Council: Primary goals are 1) Certify an average of 90 new tax credits per year; 2) Secure at least 10 new conservation easement conveyances to the state agencies per year; 3) Market the low interest loan fund to local governments and non-profit organizations and len \$5 million per year; 4) Identify and pursue sources of match funding and development agency sponsored federal funding request that result in \$10 million in annual land conservation grant awards; 5) Implement HB 346 making the land conservation income tax credit transferable.

Brent Dykes made a motion seconded by Stacy Patton to approve the Operating Plan as presented. The motion passed unanimously.

Natural Resources Conservation Service (NRCS) – Land Conservation Programs Available through the Federal Farm Bill

Andrew Szwak introduced Sharon Holbrooks to speak on the different Land Conservation programs available through the Federal Farm Bill. Sharon Holbrooks stated that the mission of the NRCS is to help people help the land. The big thing that the NRCS was founded on is conservation technical assistance. They work with farmers and landowners to put good conservation practices on the ground with the intention of improved soil conservation. Since the Farm Bill the NRCS has been able to get more into providing financial assistance to farmers and landowners to put conservation practices on the ground. Two of the big programs are the Environmental and Quality Incentive Program and the Wildlife Habitate Incentive Program. The NRCS also has conservation easement programs where we actually purchase conservation easements. There are five programs: 1) the Wetlands Reserve Program, 2) The Farm and Ranch Protection Program, 3) Five Flood Plan Protection Easement, 4) The Grasslands Reserve Program, 5) The Healthy Forest Reserve Program. Sharon discussed each program.

Report from DNR Walker Lake Project

Steve Friedman stated that all the years working to try to protect land, this Walker Lake project is one that he is proud to have been part of the team. Steve showed a timeline that shows what has been able to be conserved since 2005 on the Altamaha River. There have been over 10 partners participating in this project. There is still some key gaps that we still need to fill in. In 2011 we closed on the Walker Lake tract that connects the Townsend Wildlife Management Area and the lower block that is called the Altamaha Wildlife Management Area. We were able to acquire this property with no state funds. The Nature Conservancy paid \$500,000 in cash, we received a Fish and Wildlife Service grant for \$500,000 and the Marine Corps put in \$1 million.

Report from Georgia Forestry Commission on Active Conservation Easement Donation Projects

Burford Sanders stated that there have been 21 donated easement projects totaling 31,287 acres. There are a few easements that I want to discuss that are mostly through the process. We have a fairly structured process to go through in working with landowners to negotiate the easement and are working through the due diligence process to get to closing. The Walter Stephens project in Tift County is 418 acres and is pending closing and the Hazel Welch tract in Early County both have been through State Properties Commission for approval and are in the process of closing. The Wingate Farm in Coffee County is scheduled for the upcoming October State Properties meeting. We have two holdover easements that have been through the process but are pending closing. Rick Towns, who has already donated one easement over four thousand acres in Wheeler County, but for a couple of reasons the Mesgican Tract in Telefair County will close this year but not sure that the Wheeler County project will close, it may wait until next year. The Stephens Tract is an 80 percent forested tract not far from the Abraham Baldwin Agricultural College. It is used for field classes by local high schools and the university. It is one of those private/public partnerships and the real focus of the land is managing for timber and wildlife but also has an educational outreach which is part of the easement. The landowner is committed to the long term of sustainability of this land as an outdoor classroom as well as the forest and we expect it to close soon. There has been a tremendous amount of interest in donated easements.

Emerging Issues

John Bemby mentioned an article that was in the Atlanta Journal on more than one way to create a conservation easement or more than one type of property. With the financial environment we have lived in for the last couple of years there is a lot of foreclosed real estate pipe farms scattered around that could be put to a different use and Georgia Tech has done some studies on that.

John Bemby stated that he is on the Board of the Georgia Conservancy and it is a good common sense environmental organization. It is being lead now by former Lieutenant Governor Pierre Howard who is president and along with the Board made a decision to focus their efforts on land conservation.

Brent Dykes thanked staff for helping with a couple of conservation easements at the State Soil and Water Conservation Commission.

Next Meeting

The next meeting is scheduled for December 1st location to be determined. Mark Williams offered to use a State Park facility.

Adjournment

The meeting adjourned at 10:48 a.m.

Kim Yawn, Senior Executive Assistant

Kevin Clark, Executive Director