



MINUTES
GEORGIA LAND CONSERVATION PROGRAM
First Quarter Council Meeting – Conference Call
June 18, 2012 - 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,

Council Members by speaker phone: John Bemby, Brent Dykes, Robert Farris, and Paul Michael.

Approval of the Minutes

Chairman Stancil presented minutes from March 1, 2012, Georgia Land Conservation Council meeting for approval. Brent Dykes made a motion seconded by Robert Farris to approve the minutes as presented. The motion passed unanimously.

Modification Request for the city of Euharlee

Andrew Szwak presented a change to the special condition for the city of Euharlee. On September 2, 2010, the Council approved a loan to the city of Euharlee for \$180,000 to acquire 16 acres of undeveloped land at the confluence of Euharlee Creek and the Etowah River. The city intends to improve the site with walkways, public river access and other passive recreational infrastructure. This loan was placed into repayment on February 1, 2011. The original special condition that was approved by the Council was as follows: The borrower shall establish a debt service reserve account, on or before the loan amortization commencement date, in an amount equal to \$200,000, to secure all loans made by funds held or administered by the Georgia Environmental Finance Authority. Staff recommends the revised special condition: The borrower shall establish and maintain a debt service reserve account equal to the amount of outstanding principal owed to the Georgia Environmental Finance Authority for this loan. The reserve may be drawn down over the repayment period of the loan as long as the reserve amount does not go below the outstanding principal balance on this loan. The funding of the account should be completed on or before the loan amortization commencement date. Robert Farris made a motion seconded by John Bemby to approve the revised special condition as presented. The motion passed unanimously.

Pending Projects

Andrew Szwak stated that there is one pending loan project that is not quite ready for Council approval but wanted to make them aware. It is an innovative project with South Fulton Botanical Gardens. They are seeking to acquire a nine acre parcel in the Sand Town Community of South Fulton County. They would construct a small community garden facility using existing buildings, improve the property with some impervious walkways and access to a creek than runs on the property. The project is similar to the Virginia Highland project. Currently the application is under review by the Environmental Protection Division for its water quality benefits and is expected to be brought to the Council in September.

Strategic Planning

Kevin Clark stated that last May GEFA started a new Strategic Planning process. We have developed four goals with objectives for GEFA and each division has developed their strategies and action items. The one page plan for the Land Conservation program is included in your Council packet for you to review. We will use this plan to operate the program for the next couple of years. We will review

every year and make any changes as necessary. Andrew Szwak stated that we want to make sure we keep Council members informed about the program. We will update Council members with the balances of the trust fund, loan fund and the check off fund. We will engage Council members on ways to effectively but sustainably utilize these funds for conservation projects. We would like to partner more with agencies that are represented on the Council to pursue different joint funding opportunities.

Review of the Tax Credit Program

Andrew Szwak stated that every year the Department of Natural Resources and Georgia Land Conservation staff complete an annual report on the tax credit program. This year covers calendar year 2011. The program has awarded, since 2006, 295 credits for donations and permanently protected over 121 thousand acres. Most of these acres protect some combination of water quality, wildlife habitat, and working lands, and all protect at least one of the 7 to 10 values that have been approved in the past. It is important to note that the budget impact of the program has been rising every year as more donors have learned about the program and formed tax partnerships to maximize the tax credit. The ability that was gained in 2011 through legislation to buy and sell conservation tax credits made the program's budget potentially much higher.

Andrew Szwak stated that back in November the Governor's office wrote a letter to Chairman Stancil asking the State Properties Commission to take the lead in creating a taskforce within state government. The taskforce was to take a look at the tax credit program and some of the state held easements to make sure they are being properly administered, and also to make sure that, in light of the new tax credit transferability, that abuse of the program was being avoided. Staff did a review and developed several revisions that were introduced and subsequently adopted as part of House Bill 386. Andrew reviewed the highlights of the changes (see attachment). Brent Dykes thanked the staff for all the work that was done and asked if this information is available on the Land Conservation Program website. Chairman Stancil stated that it was.

Land Conservation Trust Fund

Andrew Szwak stated that there is \$104,363 remaining to go towards due diligent grants to state agencies, there is about \$90,000 that has not been designated for that purpose but is still available. There is \$44 million available in loan funds with a little over \$1.4 million with the state's grant trust fund, which includes the check off dollars mentioned earlier. At the last meeting we discussed some options to use the trust funds by supplementing eligible loan applications up to a certain percentage, paying due diligence costs on state fee title acquisitions, as well as conservation easement projects, and leveraging federal and private grants that might come in the future. In the process of doing our strategic planning our primary goal is to use this available balance to encourage conservation but sustain the program's ability to operate. At this time the staff's recommendation is to keep the program operating as it is and use the check off for easement projects within the state. John Bemby asked what the interest rate is on the loan funds. Kevin Clark stated 1.32 percent. John Bemby asked if the land owner could use the loan funds to pay the endowment upfront to a private land developer and then the land owner repay as the tax benefit accrues. Kevin Clark stated that he would have to look and see if it would be permissible.

Emerging Issues

No emerging issues.

Adjournment

The meeting adjourned at 9:59 a.m.

Kim Yawn, Senior Executive Assistant

Kevin Clark, Executive Director