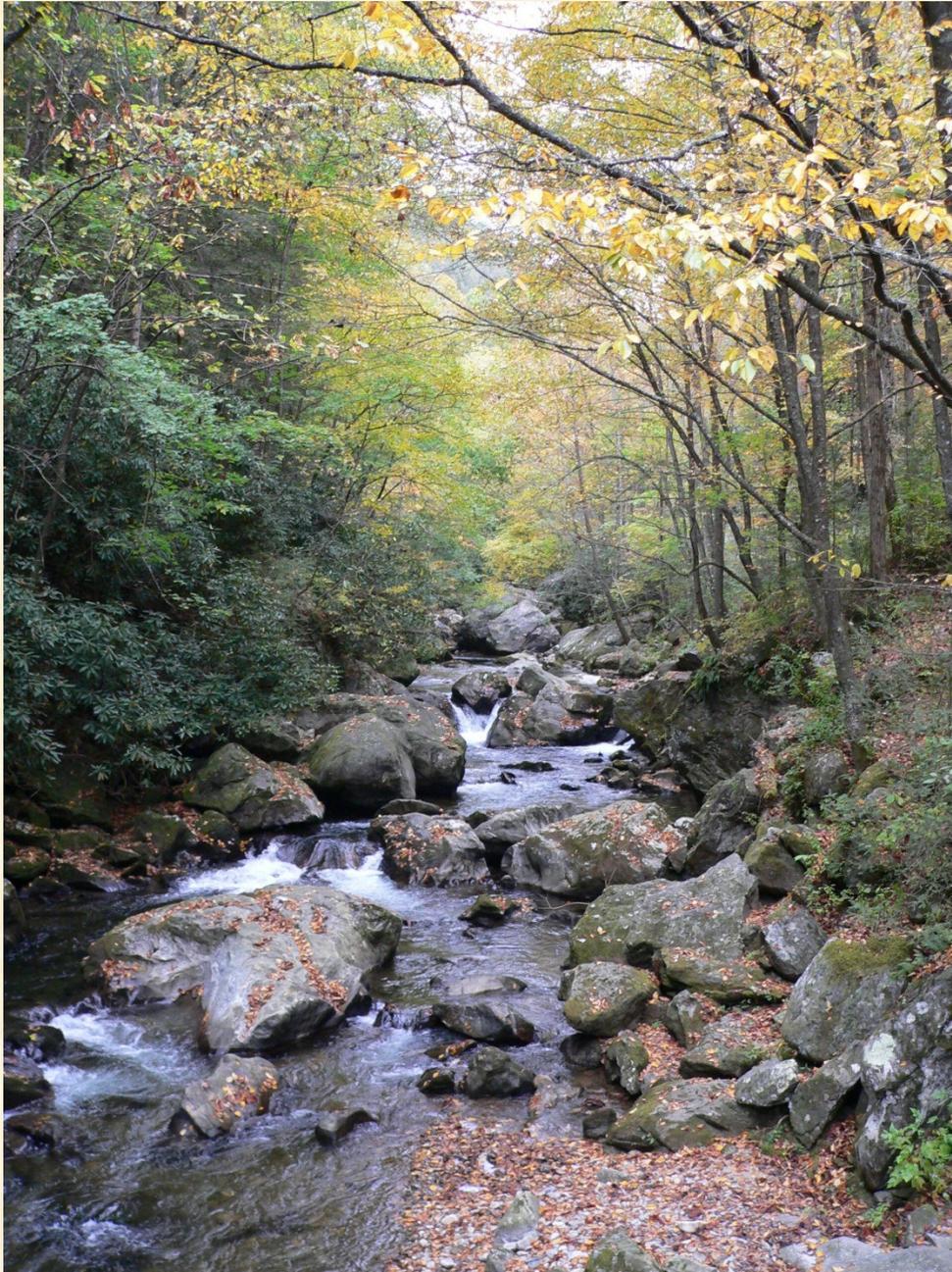




THE GEORGIA LAND CONSERVATION PROGRAM

2011 ANNUAL REPORT



*Preserving our natural, cultural and agricultural
legacy for generations of Georgians to come*



LAND CONSERVATION COUNCIL

The Land Conservation Council, which governs the Georgia Land Conservation Program (GLCP), includes five state agency leaders and four gubernatorial appointees.



Steve Stancil, Chairman
State Property Officer
State Properties Commission



Michael A. Beatty
Commissioner
Department of Community Affairs



Dr. John Bembrly
Tree Farmer and Veterinarian



Brent L. Dykes
Executive Director
Georgia Soil and Water Conservation
Commission



Robert Farris
Executive Director
Georgia Forestry Commission



Chuck Leavell
Musician and Owner
Charlane Plantation



Paul H. Michael
Vice President
TPA Realty Services



Stacy R. Patton
Managing Member
Minerva Real Estate



Mark Williams
Commissioner
Department of Natural Resources



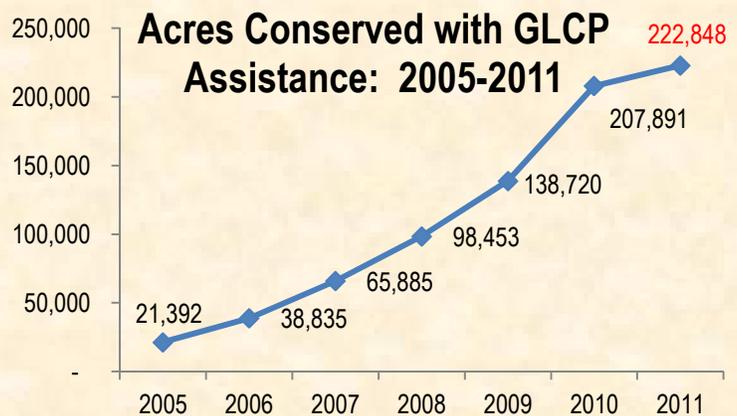
EXECUTIVE SUMMARY

The mission of the GLCP is to preserve a statewide network of land and water resources for current and future generations to use and enjoy. It promotes partnerships between cities and counties, state and federal agencies, landowners, non-government organizations (NGOs), and other private sector entities to permanently conserve natural, agricultural, historic and recreational areas.

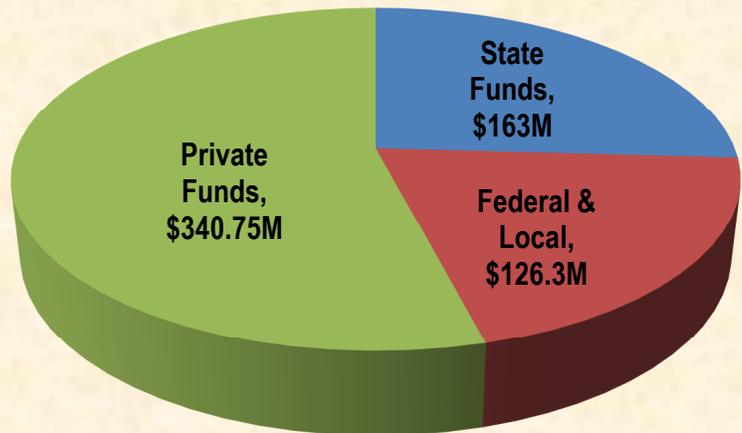
Since the Georgia Land Conservation Act was passed in 2005, the GLCP has played a role in permanently protecting 222,848 acres of valuable conservation lands in 113 counties. Financing is the GLCP's primary mechanism for promoting land conservation. The GLCP offers competitive grants, due diligence micro-grants, state income tax credits and low interest loans to fund and incentivize the permanent protection of the state's natural resources.

One of the hallmarks of the GLCP is that it pursues its mission with fiscal responsibility. Project applications undergo thorough financial and environmental reviews by the Georgia Environmental Finance Authority (GEFA), the Department of Natural Resources (DNR), the State Properties Commission (SPC), the Department of Revenue (DOR) and the Land Conservation Council. This process ensures that projects achieve a maximal amount of funding leverage and cost-efficiency. Together with other state and federal agencies, private sector conservation groups and generous landowners, the GLCP has helped leverage \$163 million in state funding to conserve more than \$630 million worth of conservation land – a nearly 3 to 1 return on its investment.

The GLCP helped conserve nearly 15,000 acres in 2011, including buffers on important waterways, habitats for endangered species and active agricultural and timber lands. Council members and staff continued to build upon fruitful partnerships and refine the program's offerings to encourage appropriate and statewide conservation activity. The GLCP will continue these efforts in 2012 with a focus on facilitating and leveraging the state's valuable investments in land conservation.



State of Georgia Land Conservation Funding 2005-2011: \$630+ million





CONSERVATION FINANCE TOOLS

The GLCP promotes permanent land conservation by offering flexible and cost-effective financing mechanisms to local governments, state agencies and conservation organizations. The program offers the financing tools below:

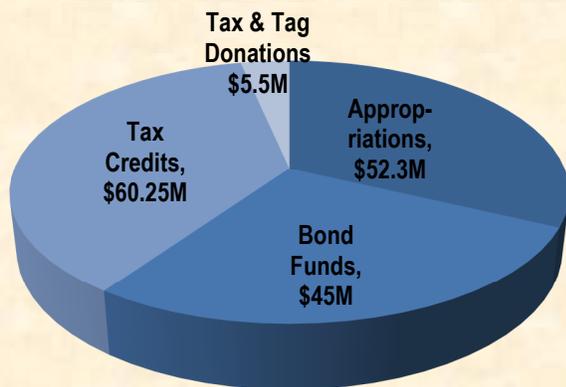
COMPETITIVE GRANTS: The 2005 Land Conservation Act created the Land Conservation Trust Fund, which is capitalized by state appropriations. Grants were awarded from the Land Conservation Trust Fund on a competitive basis to state agencies and local governments. No funds were allocated to the Trust Fund in fiscal years 2009-2012, so the GLCP has suspended its grant program.

DUE DILIGENCE MICRO-GRANTS: The GLCP provides micro-grants of up to \$30,000 to reimburse state agencies for legal costs and other expenses associated with accepting conservation easement donations. These micro-grants are funded by donations to the GLCP from taxpayers on their state income tax returns. To date, 25 easements that protect a combined 30,000 acres have been secured for less than \$250,000 in taxpayer donations to the GLCP, including the 4,000-acre Muscogean Tract (*bottom left*). In other words, *the state is protecting one acre of conservation land for about every \$8 donated to the GLCP.*

LOW INTEREST LOANS: The GLCP offers loans to local governments and NGOs for land conservation projects. The Land Conservation Loan Fund is capitalized with \$55 million from the federal Clean Water State Revolving Fund (CWSRF), which is jointly administered by GEFA and the Environmental Protection Division of DNR. Approximately \$11 million has been awarded from the loan fund to protect 5,600 total acres through 11 different projects, including the Etowah River Tract in the city of Euharlee (*bottom right*).

CONSERVATION TAX CREDITS: The GLCP funds and jointly administers the state's Conservation Tax Credit Program in partnership with the DNR and the DOR. Tax credits are made available to donors of permanently protected fee-title land and easement-restricted land that is determined to have significant conservation value. Since 2007, the tax credit program has incentivized the protection of 116,134 acres through the certification of 343 conservation donations, including the Creekside Falls Tract (*bottom center*).





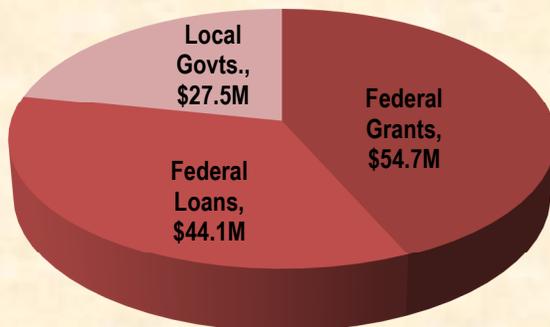
State Conservation Funds
Total: \$163 million

APPROPRIATIONS by the state Legislature are awarded to conservation projects throughout the state on a competitive basis.

GENERAL OBLIGATION BOND funds have been issued to DNR for use in acquiring conservation lands.

TAX CREDITS represent the total value of Georgia income tax credits awarded to certified donors of conservation lands and easements through the Conservation Tax Credit Program.

TAX & TAG DONATIONS refer to monetary donations by Georgia citizens from the purchase of wildlife license plates and check offs on state income tax forms that have been used to conserve land as part of a GLCP project.

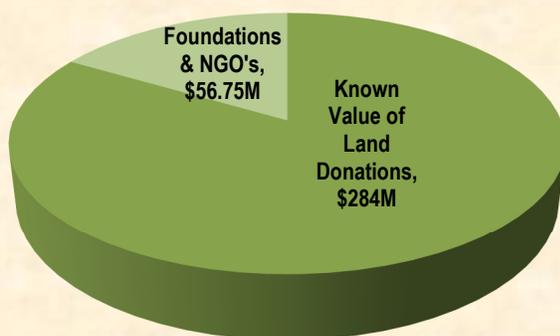


Local Govt. & Federal Funds -
Total: \$126.3 million

FEDERAL GRANTS are made on a project-specific basis by agencies such as the U.S. Fish and Wildlife Service and the U.S. Forest Service.

LOAN FUND CAPITAL consists of federal loan funds from the U.S. Environmental Protection Agency dedicated for land conservation as part of the CWSRF.

LOCAL GOVERNMENT contributions take the form of loan repayments and cash commitments to projects.



Private Conservation Funds -
Total: \$340.75 million

FOUNDATIONS & NGOs include grants and contributions from private sector conservation foundations and organizations.

LANDOWNER DONATIONS include all donations made by landowners for conservation purposes, including savings achieved through discounted sales of conservation land or easements, and the known fair market values of successful applications to the conservation tax credit program. The full value of landowner donations through the tax credit program is not captured here, and greatly exceeds the stated figure.



2011 HIGHLIGHTS

The GLCP, in cooperation with its agency and NGO partners, completed 62 tax credit approvals and due-diligence grants in 2011. These projects protect nearly 15,000 acres in perpetuity. Council members and staff also participated in a number of events and initiatives that advanced statewide land conservation efforts.

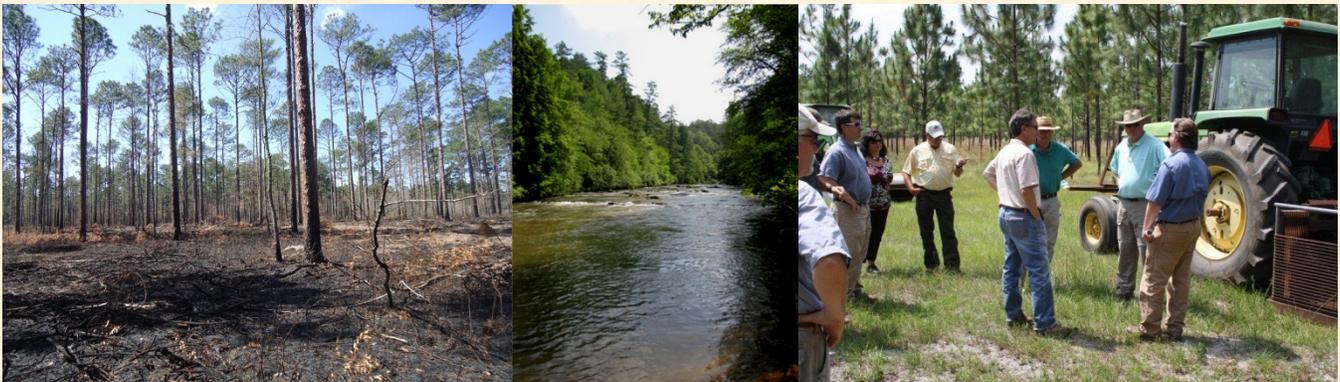
WILLOWIN PLANTATION EASEMENT: The Land Conservation Council awarded a due-diligence grant to the Georgia Forestry Commission (GFC) for accepting a donated conservation easement on a 900-acre tract in Coffee County. This easement permanently protects the tract's natural habitat and timber productivity. Intensive silviculture will only be practiced outside of the on-site sandhills and cypress domes that support priority species like gopher tortoises and indigo snakes (*right*). The tract is also part of a 2,300-acre assemblage of protected land buffering Willacoochee Creek and adjoining wetlands.



RANCHO SAN ANTONIO EASEMENT: The Land Conservation Council awarded a due-diligence micro-grant to the GFC for accepting a donated conservation easement on a 400-acre tract outside Tifton. The easement protects forestry operations and on-site gopher tortoise burrows (*left*) from encroaching residential developments. The property is highly visible from bordering neighborhoods and roadways, providing scenic value to this developing part of Tifton. The easement also encourages the property's continued use as an important silviculture education site, allowing thinning and prescribed burning (*bottom left*).

FORT STEWART: The GLCP held its annual planning sessions at Fort Stewart in 2011. Land Conservation Council members and staff toured the facility and learned about the active wildlife conservation measures the Army is undertaking there (*bottom right*). Program staff also participated in a strategic planning session in Richmond Hill that focused on encouraging compatibility between local land uses, such as conservation, and on-site military operations.

TAX CREDIT PROGRAM REVISIONS: GLCP staff worked with representatives from the Governor's Office, SPC, DNR, GFC, DOR, the Georgia Department of Law and private sector conservation groups to develop recommendations to revise the Conservation Tax Credit Program. The extensive set of recommendations aim to refine program standards and minimize potential abuses while still retaining this important incentive for land conservation. The group's recommendations will be included in legislation during the 2012 legislative session.





2012 INITIATIVES

The GLCP will build on successes from previous years by continuing active programs and expanding other offerings to maintain a suite of diverse funding options for Georgia's land conservation projects.

ADMINISTER AND SUPPORT THE REVISED TAX CREDIT PROGRAM: Beginning in January, Georgia's conservation tax credits may be transferred from their original donors to any third parties with state income tax liabilities. The ability to transfer credits is expected to generate a higher volume of more complex tax credit donations, which presents new administrative challenges for DNR and DOR program staff. The GLCP will continue to provide financial and organizational assistance to these agencies as they adjust their program operations to accommodate such demand. The GLCP will also continue to participate in efforts to strengthen and tighten the tax credit program's requirements, such as drafting and commenting on associated legislation and subsequent rule changes.

FACILITATE GEORGIA'S INVESTMENTS IN CONSERVATION: The GLCP has served as a primary conduit for the state's financial contributions to conservation since the program's inception in 2005. These contributions have taken many forms, but currently are comprised of micro-grants to state agencies and tax credits. The GLCP will utilize these funding mechanisms to, respectively:

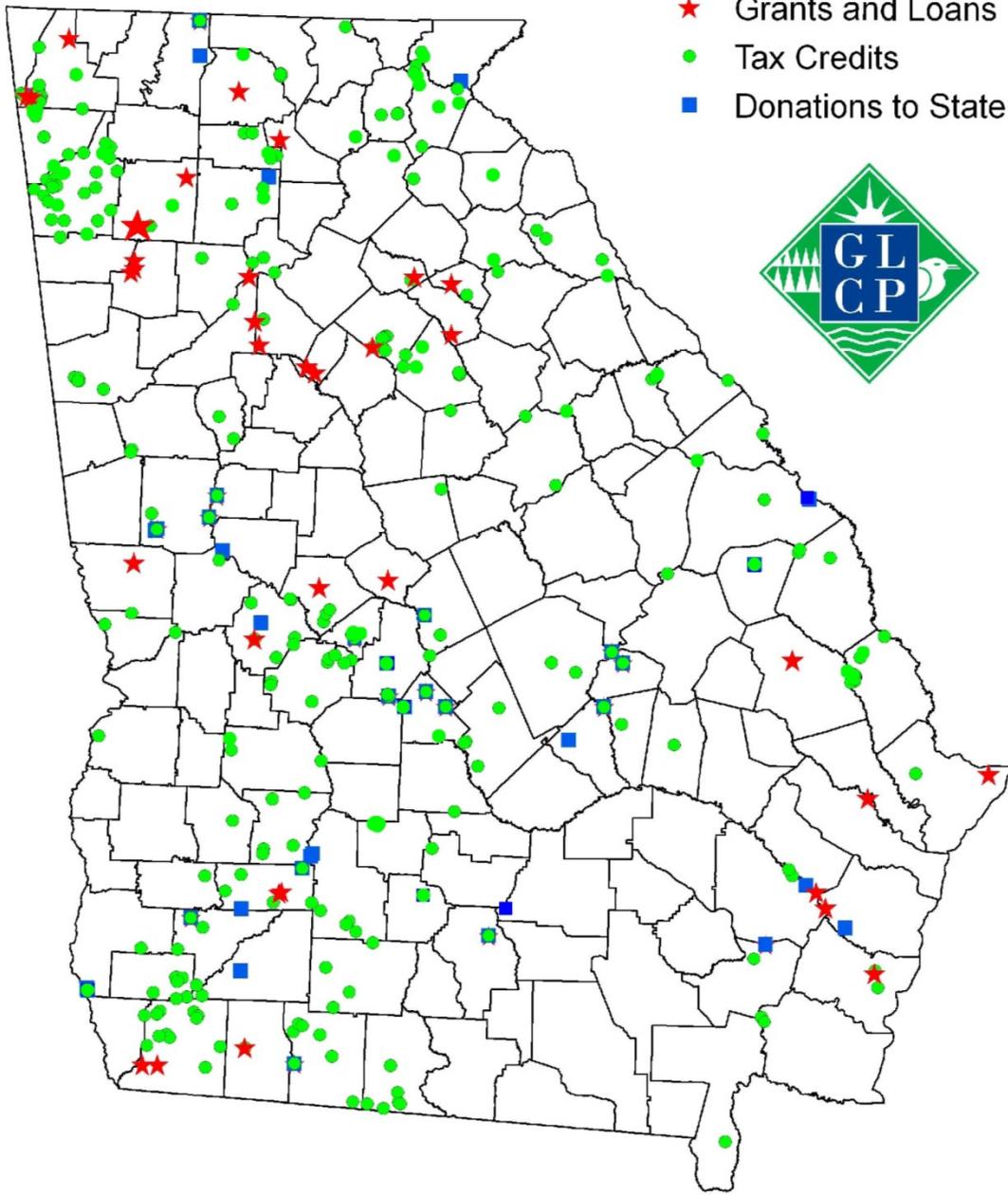
- Help state agencies (DNR, GFC, Georgia Soil and Water Conservation Commission) secure 10 conservation donations, and;
- Certify 90 tax credits that protect over 30,000 acres of conservation land.

MAXIMALLY LEVERAGE THE STATE'S CONSERVATION INVESTMENTS: In addition to direct state expenditures, the GLCP has been able to generate additional conservation investments by federal agencies, local governments and NGOs at a ratio of nearly three to one. Such leveraging ability will continue to be critical for effectively pursuing the program's mission in today's difficult budget climate. The GLCP will seek match funding from the following sources in 2012:

- The CWSRF, administered by GEFA, has available funds that can be awarded to local governments and NGOs to conserve land. The GLCP intends to loan at least \$5 million this year to projects such as the Virginia Highlands Bioretention project (*below left*).
- Other federal funding sources, such as the National Resources Conservation Service and Army Compatible Use Buffer Program, can provide match funding for permanent conservation projects. The GLCP intends to use its available funds to generate \$10 million in match funding from these programs in 2012. Projects like the Wiley Farm (*below right*) are examples of such projects that the GLCP has successfully completed in the past.



GEORGIA LAND CONSERVATION PROGRAM APPROVED PROJECTS 2005 - 2011



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