

AGENDA
North Carolina Land and Water Fund
Board of Trustees Meeting
March 2, 2022, 1:00 p.m. – 4:00 p.m.

This meeting will only be available to the public by teleconference. Please contact Terri Murray at teresa.murray@ncdcr.gov or 919-707-9122 to request a meeting invitation/call-in for the meeting.

Board of Trustees:

John Wilson (Chair), Ann Browning, Greer Cawood, Amy Grissom, Renee Kumor, Mike Rusher,
Jason Walser, Darrel Williams, David Womack

COMMENCEMENT

- 1) Call to Order (Chair)**
 - a) Welcome**
 - b) Roll call**
 - c) Compliance with General Statute § 138A-15**

General Statute § 138A-15 mandates that the Chair inquire as to whether any Trustee knows of any conflict of interest or the appearance of a conflict of interest with respect to matters on the agenda. If any Trustee knows of a conflict of interest or the appearance of a conflict of interest, please state so at this time.
 - d) Please put cell phones on vibrate or turn off**
 - e) Revisions, additions, and adoption of the agenda**
- 2) Consent Agenda (Chair) - Approval of minutes from the December 2021 board meeting**
- 3) Executive Director's Update (Will Summer)**

PUBLIC COMMENTS

The public is invited to make comments to the Board (Chair) *three minutes per person*

BUSINESS

- 1) 2022 Grant Cycle Update (Will Summer)**
- 2) Acquisition Committee Report and Recommendations (Jason Walser)**
 - a) Transfer of 2021 Contracts** – The chair will review the committee recommendation to transfer the follow grants:
 - i) 2021-044 TCF** – Amazing Grace Phase 1, Soapstone to Mainspring Conservation Trust
 - ii) 2021-043 TCF** – Sharpe Tract – Alamance Battleground to DNCR Historic Sites
 - b) Triangle Land Conservancy Scope Reduction** - The chair will review the committee recommendation to approve the scope reduction request for the following projects:
 - i) 2021-047 Fitch Tract** - Big Woods Forest
 - ii) 2021-050 McLean Tract** - Big Woods Forest

- c) **Allocation of Monitoring Funds for 1997A-032 Catawba Meadows Park** - The chair will review the committee recommendation to allocate Endowment funds to enable monitoring by Foothills Conservancy of North Carolina.
- d) **ACQ-007 Property Management Revision** - The chair will review the committee recommendation to revise the Board's policy on property management expenses.
- e) **ACQ-001 Appraisal Policy Revision** - The chair will review the committee recommendation to revise the Board's policy on appraisals.

ADJOURNMENT

Action Item

Staff member: Marissa Hartzler

Agenda Item 2a) Transfer of 2021 Contracts

Background

At the 2021 funding meeting, the Board approved two awards to The Conservation Fund (TCF) who now requests these awards be transferred to other organizations to complete the projects:

- a) TCF is requesting transfer of 2021-044 Amazing Grace Phase 1 - Soapstone, in the amount of \$1,242,747, to Mainspring Conservation Trust (MCT), who agrees to carry out the project as approved
- b) TCF is requesting transfer of 2021-043 Sharpe Tract – Alamance Battleground, in the amount of \$50,526, to Department of Natural and Cultural Resources (DNCR) Historic Sites, who agrees to carry out the project as approved

Committee recommendation

Approve the transfer of 2021-044 to MCT and 2021-043 to DNCR Historic Sites.

Attachments: letters requesting transfers

THE
CONSERVATION FUND

77 Vilcom Center Circle, Suite 340
Chapel Hill, NC 27514
www.conservationfund.org

February 4, 2022

Marissa Hartzler
North Carolina Land and Water Fund
1651 Mail Service Center
Raleigh, NC 27699-1651

Re: Reassignment of Grant Agreement for Project #2021-044 to MCT

Dear Ms. Hartzler:

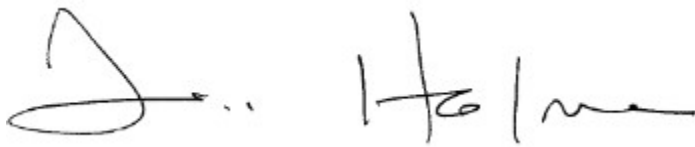
The Conservation Fund thanks the North Carolina Land and Water Fund for awarding \$1,242,747 to the Fund at its December 2, 2021 meeting for project #2021-044 to acquire the Soapstone Ridge Property in Jackson County.

The Fund has been working closely with the Mainspring Conservation Trust in Jackson County on the phased acquisition of Big Ridge. Soapstone Ridge is phase one.

After reviewing the grant and the overall project we believe it will be more efficient to assign the grant agreement to Mainspring Conservation Trust. We respectfully request that the Board of the NC Land and Water Fund approve assigning this request at a future meeting.

Thank you for your consideration, and please contact me if there are any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Holman". The signature is fluid and cursive, with the first name "Bill" being more prominent and the last name "Holman" following in a similar style.

Bill Holman
North Carolina State Director

C: Damon Hearne
 Jordan Smith
 Justin Boner



MAINSRING
CONSERVATION TRUST

557 East Main Street | Franklin, NC 28734
P.O. Box 1148 | Franklin, NC 28744
828.524.2711 | mainspringconserves.org

February 7, 2022

Marissa Hartzler, Acquisition Program Manager
NC Land & Water Fund
1651 Mail Service Center
Raleigh, NC 27699-1651

Subject: NCLWF Project #2021-044, Amazing Grace Phase 1/Soapstone Ridge, Jackson County

Dear Ms. Hartzler,

Mainspring Conservation Trust continues to work closely with The Conservation Fund (TCF) to protect 247 acres of undeveloped mountain property along Big Ridge in Jackson County. Thank you for your guidance on the first phase of this project, which we hope to complete with funds awarded by NCLWF (Project #2021-044) and other funding sources.

After reviewing TCF's grant application and subsequent discussions with both NCLWF and TCF staff, we collectively agreed that the applicant organization for NCLWF Project #2021-044 should be changed from The Conservation Fund to Mainspring Conservation Trust. My staff and I stand ready to administer this grant should the NCLWF Board of Trustees approve a grant contract assignment at their meeting later this month.

Thank you again for your feedback, guidance, and support for our work on this project and others across western North Carolina. We are eager to permanently protect this land and are honored to have NCLWF as a partner in this endeavor.

Sincerely,

Jordan Smith
Executive Director

CC:

Damon Hearne, NCLWF
Bill Holman, The Conservation Fund

THE
CONSERVATION FUND

77 Vilcom Center Circle, Suite 340
Chapel Hill, NC 27514
www.conservationfund.org

February 7, 2022

Will Summer
North Carolina Land and Water Fund
1651 Mail Service Center
Raleigh, NC 27699-1651

Re: Reassignment of Grant Agreement for Project #2021-043, Alamance Battleground

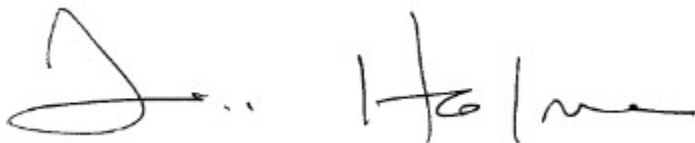
Dear Mr. Summer:

The Conservation Fund thanks the North Carolina Land and Water Fund for provisionally awarding \$50,526 to The Conservation Fund at its December 2, 2021 meeting for project #2021-043 (Sharpe Tract- Alamance Battleground). This project will preserve a key part of the battlefield and allow NC State Historic Sites to expand their programming and education on the site.

After discussion of the project and the grant with our agency partner, we believe it will be more efficient to reassign the grant agreement to NC State Historic Sites. We ask that NC Land and Water Fund consider this request at a future board meeting. NC State Historic Sites has reviewed the grant agreement and budget and has agreed to accept the grant.

Thank you for your consideration, and please contact me if there are any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Holman". The signature is fluid and cursive, with a large initial "B" and a long horizontal stroke.

Bill Holman
North Carolina State Director

C: Michelle Lanier
Justin Mercer
Erin Crouse

Mailing Address: 4620 Mail Service Center
Raleigh, NC 27699-4620
919-814-7153 office | 919-715-0678 fax
Location: 430 N. Salisbury Street, Suite 2050
Raleigh, NC 27603-5926



Roy Cooper, Governor
Reid Wilson, Secretary
Michelle Lanier, Director

February 4, 2022

Will Summer
North Carolina Land and Water Fund
1651 Mail Service Center
Raleigh, NC 27699-1651

Re: Acceptance of Assignment of Grant Agreement for Project #2021-043

Dear Mr. Summer:

The North Carolina Land and Water Fund provisionally awarded \$50,526 to The Conservation Fund at its December 2, 2021 meeting for project #2021-043 (Sharpe Tract- Alamance Battleground).

NC Historic Sites serves as the agency partner for this project. The Conservation Fund has requested that NC Land and Water Fund assign the grant agreement for this project to NC Historic Sites. Our staff has reviewed the grant application and budget and are willing to accept assignment of this award.

We look forward to this property becoming part of Alamance Battleground State Historic Site. Please contact me if you have any questions. Thank you for supporting State Historic Sites!

Sincerely,

A handwritten signature in black ink that reads "M. Lanier".

Michelle Lanier
Director, N.C. Division of State Historic Sites

C: Marissa Hartzler



NC DEPARTMENT OF
NATURAL AND CULTURAL RESOURCES

Action Item

Staff members: Marie Meckman, Justin Mercer

Agenda Item 2b) Triangle Land Conservancy Project Scope Reduction

Background

At the 2021 funding meeting, the NCLWF provided awards to Triangle Land Conservancy (TLC) for two significant projects near Jordan Lake in the Cape Fear River Basin:

1. 2021-047 TLC Fitch Tract – Big Woods Forest. Awarded \$1,200,000 out of a total project cost of \$5,127,425 to acquire 250 acres.
2. 2021-050 TLC McLean Tract – Big Woods Forest. Awarded \$1,200,000 out of a total project cost of \$8,160,425 to acquire 540 acres.

These projects combined would provide over 13,986 linear feet of riparian buffer for nutrient sensitive waters and protection of over 20 acres of wetland. They will both be open to the public as nature preserves.

Both requests were made at the anticipated acquisition cap level of 1.2 million dollars. Unfortunately, this left the land trust with a substantial fundraising challenge.

Triangle Land Conservancy has requested an approval for match and scope reduction for both projects to meet the financial requirements for these projects. This will allow them to complete roughly half of each of the 2021 projects as a phase one and seek funds for the other half in the 2022 cycle. Applications have been submitted for these second phases and updated maps are provided as attachments.

Committee recommendation

Approve the reduction in scope for the two 2021 projects.

Attachments: letters requesting reduction in scope, maps



Will Summer,
Executive Director
NC Land and Water Fund
1651 Mail Service Center
Raleigh, NC 27699-1651

January 31, 2022

RE: Revision of 2021-047 TLC Fitch Tract Budget and Scope of Project

Dear Will:

Challenging economic conditions have made for difficulty in completing conservation projects. TLC is excited about the long-term role conservation will play in the future of our communities' clean water and ecological diversity. It is with pleasure that TLC seeks to conserve the 250 acre Fitch Big Woods Forest tract together in partnership with NC Land and Water Fund.

TLC requests approval for match reduction and an alteration in the scope of the 2021-047 TLC Fitch Big Woods Forest project. TLC initial application for this project was \$1,200,000 in requested funds with a total project cost of \$5,127,425. TLC anticipates applying for and additional \$800,000 in acquisition costs with matching funds of \$900,000. Even with the proposed changes to this application TLC's match on the project is still almost 50% for this phase and over 50% for the total project. I have attached a revised budget for this phase of our project and our proposed budget for the second phase of this project to this letter.

With these changes in match and scope TLC requests \$1,132,575 in acquisition funds, \$42,000 in transaction costs, \$7,200 in contract administration costs, and \$18,225 in stewardship endowment. TLC will match our request with \$1,167,425 in acquisition funds and \$30,000 in transaction costs. TLC looks forward to protecting the Big Woods Forest Fitch Tract.

Sincerely,

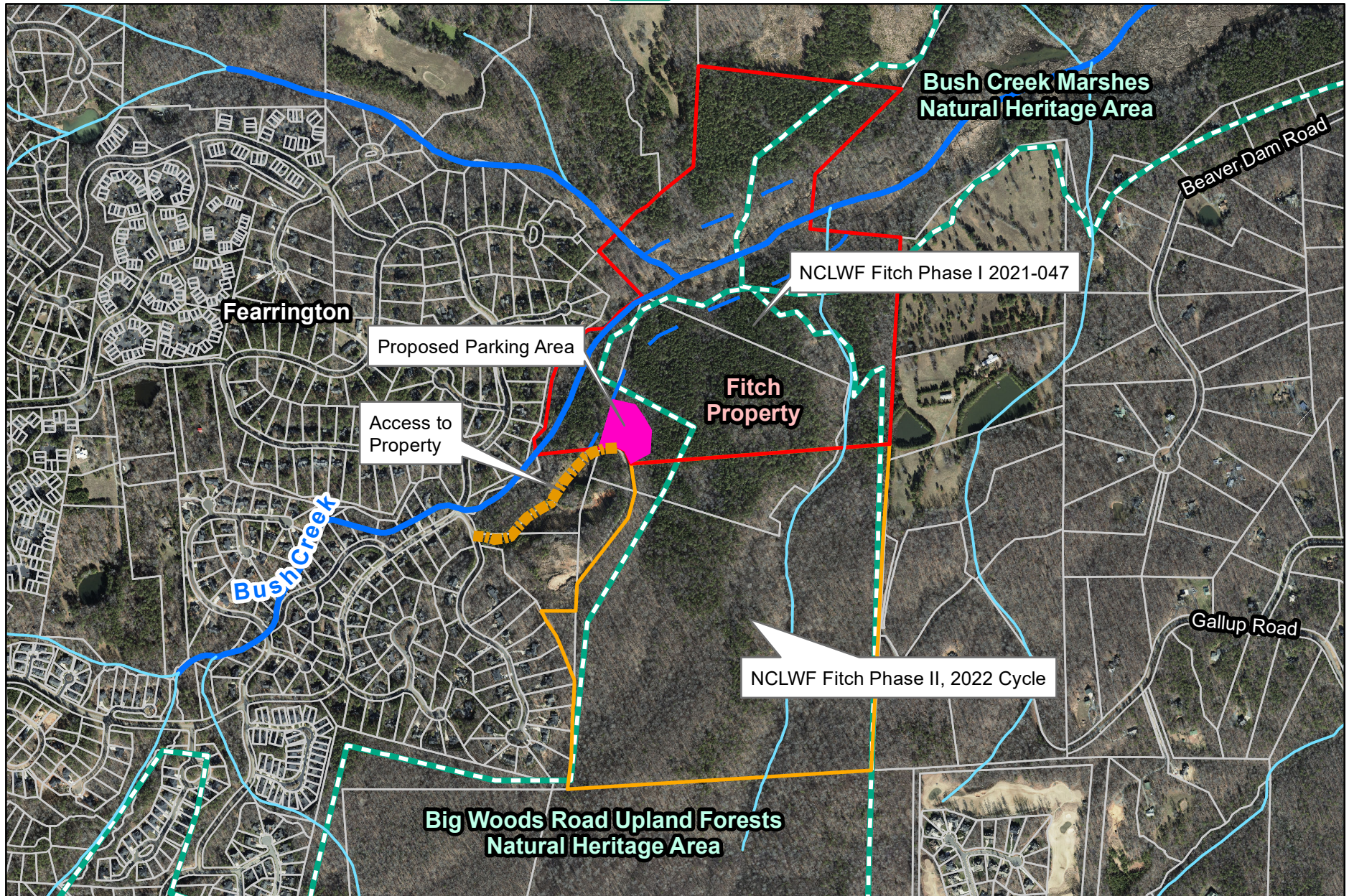
Sandy Sweitzer
Executive Director

2022 Fitch Property Map Triangle Land Conservancy

0 750 1,500 3,000 Feet



- Fitch Phase 1 - 124.5 Acres
- Fitch Phase 2 - 124.5 Acres
- 300ft Stream Buffer
- NC Natural Heritage Area
- Chatham County Tax Parcels
- Perennial Streams
- Intermittent Streams



Project Number: 2021-047

DECISION MATRIX EVALUATION WORKSHEET
Project Name: TLC Fitch Tract

Date of Request: February 3, 2022

REQUIRED APPROVALS				
Criteria	Executive Director	Chairman	Full Board	Requested Change
Change in scope outputs*	Less than 10%	10% to 25%	> 25%	-50.20%
Change in match % (Calculations page 2) **	Less than 10%	10% to 25%	> 25%	-34.79%
Change in unit cost (for example, \$/acre, \$/LF, \$/gal)	Less than 10%	10% to 25%	> 25%	-6.11%
Within budget reallocation of funds without adding a new budget line item and no loss of outputs*	10% to 20% of total NCLWF award reallocated to any one line item, up to \$100,000*	More than 20% of total NCLWF award or more than \$100,000 reallocated to any one line item		n/a
Within budget reallocation of funds with adding a new budget line item and no loss of outputs*			Any request that adds a new budget line item	n/a
Withdrawal of Any Funded Project or Minigrant	Any Withdrawal Request			
If Request requires Full Board Approval, please enter the date of the Board meeting for which the request will be considered:			Wednesday, March 2, 2022	
Explanation of request and impacts to natural or cultural resources (Attach request, original budget and revised budget).				
<p>The original application budget was set at the anticipated acquisition cap level. Unfortunately, this left the land trust with a substantial fundraising challenge. In addition, the projected land value was found to be \$970,000 greater after appraisal. Triangle Land Conservancy requests approval for match reduction and an alteration in scope to meet the financial requirements of this project. This would allow TLC to complete roughly half of this project as a phase one and seek funds for the other half in the 2022 cycle. The application for phase 2 has been received. The new budget for the 2021 phase 1 project is found on the second page of this worksheet. (The change in unit cost above is less than the original project due to the unequal split of expenses between the two phases.)</p> <p>Acreage change - Original acreage was 250 acres. The revised scope will protect 124.5 acres in each phase.</p> <p>Natural resources - Natural Heritage Program assessed the change and determined that the score would be the same, although the phases have slightly different resources. The riparian buffer score would not have changed.</p>				
Program Staff Recommendation:				
Staff recommends accepting the proposal for the reduction in scope and budget for this grant contract. This is a valuable project and despite the reduction, the match stands at 50%.				
Approvals:	Printed Name	Requisite Signature	Date	
NCLWF Staff	Marie Meckman			
Deputy Director	vacant			
Executive Director	William B. Summer			
Chairman	John B. Wilson, Jr.			
Board approvals:	Motion (summary)		Date	
Committee action	Accept staff recommendation and applicant request			
Board action	Accept staff recommendation and applicant request			

The Board should consider grant reductions that accompany a decrease in scope, even if the unit cost remains the same. Reductions that are due to lower construction bids than budgeted can be processed by Staff.

*The following budget reallocations and match reduction can be approved and processed by the Project Managers without submitting a decision matrix evaluation form.

- 1) For donated easement minigrants:
 - a) Any budget reallocations
 - b) A reduction of match that still meets the minimum requirement. Reductions that do not meet the minimum match requirement must go to the Chairman for approval.
- 2) For all projects other than minigrants: less than 10% of the total NCLWF award allocated to another line item

DECISION MATRIX EVALUATION WORKSHEET

**On 10/11/10, the Board gave the Chairman and R/S/G Co-Chairs the authority to approve match reductions when the tax card value (or appraisal) is less than the amount in the project budget for easement value.

Staff Level Revisions	Chairman Level Revisions	Board Level Revisions
<p>2-10-14 to reflect 2014 board review; and remove reference to minigrant programs no longer funded</p> <p>11-21-08 to clarify matching decrease calculation.</p> <p>1-7-09 to add Note #2.</p> <p>1-22-09 to add Note #3.</p> <p>11-5-09 to change titles of Deputy Directors to match Sept 09 reorganization.</p> <p>7-12-11 to remove Deputy Director for Acquisitions.</p> <p>2-10-2015 Update worksheet</p> <p>7-19-18 Clarify and add Dep Director signature</p> <p>10-5-21 Change "match decrease" to "match change", add Board action section.</p>	<p>Revised 2-10-14 to reflect 2014 review of decision matrix; reorganization of Board; % change clarification; and allow new line item reallocation.</p> <p>Revised 11-21-08 to reflect Nov 2008 Board decision on admin costs.</p> <p>Revised 11-21-08 to clarify matching decrease calculation.</p> <p>Revised 11-5-09 to change titles of Deputy Directors to match Sept 09 reorganization.</p> <p>Revised 12-15-2010 to add Chairman/Co-Chair approval of restoration & stormwater match reductions due to lower easement values than expected (based on Oct 11, 2010 board action)</p> <p>Revised 7-12-11 to remove Deputy Director for Acquisitions.</p>	<p>Revised 11-21-08 to clarify matching decrease calculation.</p> <p>Revised 11-5-09 to change titles of Deputy Directors to match Sept 09</p> <p>Revised 12-15-2010 to add Chairman/Co-Chair approval of restoration</p> <p>Revised 7-12-11 to remove Deputy Director for Acquisitions.</p> <p>Revised 1-9-13 to clarify need for Board approval to reduce grant if other than related to construction bids.</p>

Project Number: 2021-047

Project Name:

TLC Fitch Tract

Overall Proposed Impacts to Score		
	Points	Notes
Original Score	74	
Change in Scope	0	
Change in Budget	-5	Due to drop in match
Proposed Change	69	
Lowest Funded	59	

Scope Outputs	
	Acres
Original	250
Proposed	124.5

Change in Scope Output (acres) -50.20%

Unit Costs			
	Total Project Cost	Acres	Cost/Acre
Original	\$ 5,127,425	250	\$ 20,510
Proposed	\$ 2,397,425	124.5	\$ 19,256

Change in Unit Costs -6.11%

Original Budget			
Item	NCLWF Grant Amount	Matching Funds	Total Project Cost
Acquisition	\$ 1,132,575	\$ 3,897,425	\$ 5,030,000
Transaction Costs	\$ 42,000	\$ 30,000	\$ 72,000
Stewardship	\$ 18,225	\$ -	\$ 18,225
Property Management	\$ -	\$ -	\$ -
Contract Administration	\$ 7,200	\$ -	\$ 7,200
Total	\$ 1,200,000	\$ 3,927,425	\$ 5,127,425
Funding Percentages	23%	77%	100%

Change in Match Percentage -34.79%

Proposed Budget			
Item	NCLWF Grant Amount	Matching Funds	Total Project Cost
Acquisition	\$ 1,132,575	\$ 1,167,425	\$ 2,300,000
Transaction Costs	\$ 42,000	\$ 30,000	\$ 72,000
Stewardship	\$ 18,225	\$ -	\$ 18,225
Property Management	\$ -	\$ -	\$ -
Contract Administration	\$ 7,200	\$ -	\$ 7,200
Total	\$ 1,200,000	\$ 1,197,425	\$ 2,397,425
Funding Percentages	50%	50%	100%

Is there a change to matching resource sources?

Yes

Original Matching Resources Scoring					
Line Item	Source	Amount	Percent	Multiplier	Points
Chatham County	Federal/Local Government funds	\$ 1,046,713	20%	0.18	3.675
LWCF	Federal/Local Government funds	\$ 1,046,712	20%	0.18	3.675
Private donors & TLC	Private funds	\$ 1,034,000	20%	0.22	4.437
Fitch Creations	Private funds	\$ 800,000	16%	0.22	3.433
Total	-	\$ 3,927,425	-	-	16

Proposed Matching Resources Scoring					
Line Item	Source	Amount	Percent	Multiplier	Points
Chatham County	Federal/Local Government funds	\$ 546,712	23%	0.18	4.105
Private Donors	Private funds	\$ 646,713	27%	0.22	5.935
TLC	Private funds	\$ 4,000	0%	0.22	0.037
Total	-	\$ 1,197,425	-	-	11

Change in Matching Resources Score -5



Will Summer,
Executive Director
NC Land and Water Fund
1651 Mail Service Center
Raleigh, NC 27699-1651

January 31, 2022

RE: Revision of 2021-050 TLC McLean Tract Budget and Scope of Project

Dear Will:

Challenging economic conditions have made for difficulty in completing conservation projects. TLC is excited about the long-term role conservation will play in the future of our communities' clean water and ecological diversity. It is with pleasure that TLC seeks to conserve the 530 acre McLean Big Woods Forest tract together in partnership with NC Land and Water Fund.

TLC requests approval for match reduction and an alteration in the scope of the 2021-050 TLC McLean Big Woods Forest project. TLC initial application for this project was \$1,200,000 in requested funds with a total project cost of \$8,160,425. TLC anticipates applying for an additional \$1,200,000 in acquisition costs with additional matching funds of \$2,500,000. Even with the proposed changes to this application TLC's match on the project is over 50% for the total project. I have attached a revised budget for this phase of our project and our proposed budget for the second phase of this project to this letter.

With these changes in match and scope TLC requests \$1,099,575 in acquisition funds, \$72,000 in transaction costs, \$10,200 in contract administration costs, and \$18,225 in stewardship endowment. TLC will match our request with \$2,500,425 in acquisition funds and \$30,000 in transaction costs. TLC looks forward to protecting the Big Woods Forest McLean Tract.

Sincerely,

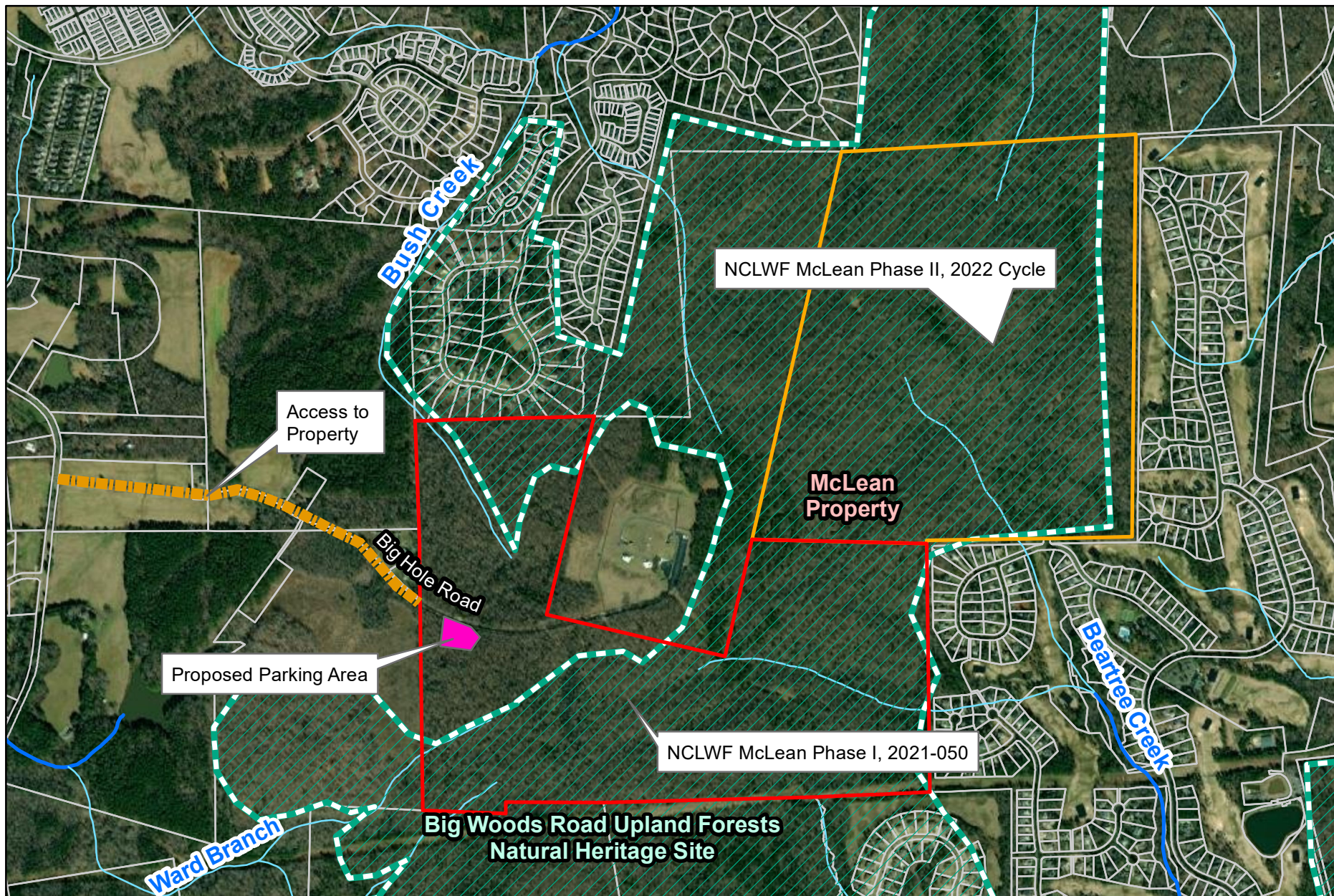
Sandy Sweitzer
Executive Director

2022 McLean Property Map Triangle Land Conservancy

0 750 1,500 3,000
Feet



- McLean Phase 1 - 265.5 Acres
- McLean Phase 2 - 265.5 Acres
- NC Natural Heritage Area
- Stream
- Intermittent Stream
- Chatham County Tax Parcels



Project Number: 2021-050

DECISION MATRIX EVALUATION WORKSHEET
 Project Name: TLC McLean Tract

Date of Request: February 3, 2022

REQUIRED APPROVALS				
Criteria	Executive Director	Chairman	Full Board	Requested Change
Change in scope outputs*	Less than 10%	10% to 25%	> 25%	-49.91%
Change in match % (Calculations page 2) **	Less than 10%	10% to 25%	> 25%	-20.47%
Change in unit cost (for example, \$/acre, \$/LF, \$/gal)	Less than 10%	10% to 25%	> 25%	-8.74%
Within budget reallocation of funds without adding a new budget line item and no loss of outputs*	10% to 20% of total NCLWF award reallocated to any one line item, up to \$100,000*	More than 20% of total NCLWF award or more than \$100,000 reallocated to any one line item		n/a
Within budget reallocation of funds with adding a new budget line item and no loss of outputs*			Any request that adds a new budget line item	n/a
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Explanation of request and impacts to natural or cultural resources (Attach request, original budget and revised budget).				
<p>The original application budget was set at the anticipated acquisition cap level. Unfortunately, this left the land trust with a substantial fundraising challenge. Triangle Land Conservancy requests approval for match reduction and an alteration in scope to meet the financial requirements of this project. This would allow them to complete roughly half of this project as a phase one and seek funds for the other half in the 2022 cycle. The application for phase 2 has been received. The new budget for the 2021 phase 1 project is found on the second page of this worksheet.</p> <p>Acreage change - Original acreage was stated to be 530 acres and updated to 540 at the time of contract. The revised scope will protect 265.5 acres in each phase and separate grant contract.</p> <p>Natural resources - Natural Heritage Program assessed the change and determined that this score would not change. Riparian buffer score would not have changed.</p> <p>Score - Original score was a 72 and will drop to a 68, due to the drop in match. The lowest project score funded in 2020 was 59.</p>				
Program Staff Recommendation:				
Staff recommends accepting the proposed match and scope reduction for this project. This is a valuable project and despite the reduction, the match stands at an impressive 68%.				
Approvals:	Printed Name	Requisite Signature	Date	
NCLWF Staff	Marie Meckman			
Deputy Director	vacant			
Executive Director	William B. Summer			
Chairman	John B. Wilson, Jr.			
Board approvals:	Motion (summary)		Date	
Committee action	Accept staff recommendation and applicant request			
Board action	Accept staff recommendation and applicant request			

The Board should consider grant reductions that accompany a decrease in scope, even if the unit cost remains the same. Reductions that are due to lower construction bids than budgeted can be processed by Staff.

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1) For donated easement minigrants:

a) Any budget reallocations

b) A reduction of match that still meets the minimum requirement. Reductions that do not meet the minimum match requirement must go to the Chairman for approval.

2) For all projects other than minigrants: less than 10% of the total NCLWF award allocated to another line item.

DECISION MATRIX EVALUATION WORKSHEET

**On 10/11/10, the Board gave the Chairman and R/S/G Co-Chairs the authority to approve match reductions when the tax card value (or appraisal) is less than the amount in the project budget for easement value.

Staff Level Revisions	Chairman Level Revisions	Board Level Revisions
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Project Number: 2021-050

Project Name: TLC McLean Tract

Overall Proposed Impacts to Score		
	Points	Notes
Original Score	72	
Change in Scope	0	
Change in Budget	-4	Due to drop in match
Proposed Change	68	
Lowest Funded	59	

Scope Outputs	
	Acres
Original	530
Proposed	265.5

Change in Scope Output (acres) -49.91%

Unit Costs			
	Total Project Cost	Acres	Cost/Acre
Original	\$ 8,160,425	530	\$ 15,397
Proposed	\$ 3,730,425	265.5	\$ 14,051

Change in Unit Costs -8.74%

Original Budget			
Item	NCLWF Grant Amount	Matching Funds	Total Project Cost
Acquisition	\$ 1,099,575	\$ 6,930,425	\$ 8,030,000
Transaction Costs	\$ 72,000	\$ 30,000	\$ 102,000
Stewardship	\$ 18,225		\$ 18,225
Property Management			\$ -
Contract Administration	\$ 10,200		\$ 10,200
Total	\$ 1,200,000	\$ 6,960,425	\$ 8,160,425
Funding Percentages	15%	85%	100%

Change in Match Percentage -20.47%

Proposed Budget			
Item	NCLWF Grant Amount	Matching Funds	Total Project Cost
Acquisition	\$ 1,099,575	\$ 2,500,425	\$ 3,600,000
Transaction Costs	\$ 72,000	\$ 30,000	\$ 102,000
Stewardship	\$ 18,225	\$ -	\$ 18,225
Property Management	\$ -	\$ -	\$ -
Contract Administration	\$ 10,200	\$ -	\$ 10,200
Total	\$ 1,200,000	\$ 2,530,425	\$ 3,730,425
Funding Percentages	32%	68%	100%

Is there a change to matching resource sources?

Yes

Original Matching Resources Scoring					
Line Item	Source	Amount	Percent	Multiplier	Points
Chatham County	Federal/Local Government funds	\$ 1,213,000	15%	0.18	2.676
LWCF	Federal/Local Government funds	\$ 1,213,000	15%	0.18	2.676
McLean Family	Private funds	\$ 1,000,000	12%	0.22	2.696
EEG, other private	Private funds	\$ 3,534,425	43%	0.22	9.529
Total	-	\$ 6,960,425	-	-	18

Proposed Matching Resources Scoring					
Line Item	Source	Amount	Percent	Multiplier	Points
Chatham County	Federal/Local Government funds	\$ 1,250,000	34%	0.18	6.031
Private donors	Private funds	\$ 1,276,425	34%	0.22	7.528
TLC	Private funds	\$ 4,000	0%	0.22	0.024
Total	-	\$ 2,530,425	-	-	14

Change in Matching Resources Score -4

Action Item**Staff members: Justin Mercer**

Agenda Item 2c) 1997A-032 Catawba Meadows Park, Allocation of Monitoring Funds**Background**

In 1997, the Board approved funding for the City of Morganton to acquire 198 acres of land along the Catawba River in Burke County. The property, formerly the Ralph Edwards Tree Nursery, is now managed by City of Morganton Parks and Recreation as Catawba Meadows Park and is subject to a conservation easement held by the State.

As an Acquisition project that predates the establishment of the Endowment, no funds were provided for monitoring, nor was a monitor identified. Foothills Conservancy of NC is willing to provide annual easement monitoring and reporting to the Fund. Staff have negotiated a \$425/year reimbursement for monitoring, which would require a total of \$10,625 endowment funds (annual payment multiplied by 25).

Through the creation of STW-006 Retired Principal Policy in 2019, the Board established a process for the allocation of retired principal to an easement that was unfunded or is significantly underfunded. There is currently \$112,407 of unallocated principal in the Endowment.

Committee Recommendation

Assign \$10,625 of unallocated principal in the Stewardship Endowment for the monitoring of the conservation easement from project 1997A-032, to be monitored by Foothills Conservancy of NC and reimbursed through their annual monitoring contract with the Fund.

Action Item**Staff member: Marissa Hartzler**

Agenda Item 2d) Property Management Policy Revision**Background**

In 2017, the Board approved the creation of ACQ-007, a policy that defined permissible Property Management requests for funds and matching credit. Prior to 2017, only local governments were permitted to request Property Management expenses, but staff recognized nonprofits and State agencies without dedicated land acquisition funding also had immediate expenses associated with the acquisition of a property. This includes securing a property through gates or barriers or immediate protection of a resource. The total of request and match were capped at \$5,000.

While creation of the policy set out to expand Property Management, the background of the policy limited it to only those situations in which the grant recipient was not intended to be the long-term owner. Amending the background to remove this specific reference to transfer of the property may help achieve the original intent of the Property Management expense: to expediently eliminate threats to the conservation values and protect the State's investment in the property, while the nonprofit, local government, or State agency prepares to manage for the short- or long-term.

Committee recommendation

Revise the policy to align the background with the intent of allowing Property Management requests on all Acquisition projects as shown in the attached draft policy.

Attachments: redline copy of recommended policy revision

Property Management Costs (ACQ-007)

Background: ~~Grant Recipients~~NCLWF recognizes the need for funds to secure a property or immediately address resource concerns after purchase, and such activities help protect the conservation values and the investment of funds in the project. ~~ipients sometimes purchase property with the intention of transferring it to another organization for ownership and/or management in the future. It is often necessary to restrict access to the property or address immediate resource concerns before a long term managing entity can take responsibility for managing the property.~~

Policy:

1. Property Management costs are defined as funds needed for securing a property or ~~protecting resources for short-term management.~~immediate resource protection.

Examples of eligible costs include the following: purchase and installation of gates or other barriers to prevent trespass; management/restriction of access points to areas with conservation values (streams, natural heritage areas, cultural, or historic areas); and immediate stabilization of eroding streambanks. Other expenses may be deemed eligible by NCLWF pending substantiation of need at time of application.

2. Local governments, nonprofit organizations, and State agencies without a dedicated land acquisition funding mechanism are eligible for property management costs.
3. Total property management funds reimbursed by NCLWF or credited as match is \$5,000 maximum.
4. All expenses for property management must be incurred during the contract period, be substantiated by an invoice from a vendor or signed form attesting to in-kind work, be identified in the application, and not pay for any activities prohibited by another NCLWF policy.

Action Item

Staff member: Marissa Hartzler

Agenda Item 2e) Appraisal Policy Revision

Background

Appraisals have long been an important tool in the Acquisition Program for determining fair market value of fee transactions and conservation agreements acquired in a project. ACQ-001 Appraisal Policy, first effective in 2001, established requirements for appraisals. Today, appraisals are required for all interests valued at \$100,000 to \$500,000; above \$500,000, a second appraisal is required. When an interest is valued at less than \$100,000, the tax value may be used.

While this policy works well, staff have received questions that indicate modest changes would be helpful in clarifying the policy to Acquisition Program grant applicants and recipients. In the attached revision, the policy has been reorganized and the language simplified. References to the total “price” have been replaced with “value.” Finally, the text has been updated to indicate that appraisals must be ordered in line with NCLWF guidelines.

Committee recommendation

Revise the policy to update language and reduce ambiguities as shown on the draft policy.

Attachments: current ACQ-001 policy and draft revisions

**Acquisitions Program Policies:****Appraisal Policy (ACQ-001)**

Background: In order to determine the State is paying fair market value and no more for acquisition of real property interests, the following policy applies to fee simple acquisitions and conservation easement acquisitions. The policy is applicable to acquisitions made using NCLWF funds, matching funds, and through donations, bargain sales, etc.

Policy:

1. For acquisitions for which the total price of the fee title or conservation easement exceeds \$500,000, two appraisals will be required. All appraisals must be reviewed, and the value of the acquisition approved by State Property Office. All appraisals must be ordered in consultation with the NCLWF's Real Property Agent in the State Property Office. If either or both appraisals are not satisfactory to the State Property Office, an additional appraisal may be required.
2. For acquisitions for which the total price of the fee title or conservation easement is greater than \$100,000 and less than \$500,000, one appraisal will be required. All appraisals must be reviewed, and the value of the acquisition approved by State Property Office. All appraisals must be ordered in consultation with the NCLWF's Real Property Agent in the State Property Office. If the appraisal is not satisfactory to State Property Office, an additional appraisal may be required.
3. For acquisitions for which the total price for any given parcel or interest in any parcel does not exceed \$100,000, the ad valorem assessed valuation (prorated on a reasonable basis for partial acquisitions) will be acceptable in lieu of an independent appraisal.

Effective Date

Versions	Revisions
Sept. 24, 2001	Original Effective Date
Feb. 17, 2003	Revised and Adopted
Sept. 22, 2003	Revised and Adopted
March 9, 2015	Reauthorized

Appraisal Policy (ACQ-001) – Proposed Revision

Background: The acquisition of all real property interests, including fee simple and conservation agreement interests, through an Acquisition Program award must have substantiation of fair market value per the requirements of this policy. This policy applies to all acquisitions made using NCLWF and matching funds, including any bargain sales and donations.

Policy:

1. A minimum of one appraisal is required to determine the fair market value of all real property interests being acquired.
 - Exception: When the tax assessed land value (“tax value”) of a real property interest is less than \$100,000, the tax value will be acceptable in lieu of an appraisal. For fee transactions, up to 100% of the tax value may be used as substantiation of value. For conservation agreement-only transactions, up to 80% of the tax value may be used as substantiation of value.
2. A second appraisal is required when the value of a real property interest, irrespective of any bargain sale, exceeds or is expected to exceed \$500,000.
3. All appraisals must adhere to NCLWF appraisal guidelines and will be reviewed by the State Property Office. If any appraisal is not satisfactory to the State Property Office, additional appraisals may be required.