

NORTH CAROLINA LAND AND WATER FUND
BOARD OF TRUSTEES MEETING

Held at the North Carolina Museum of History
Longleaf Classroom
Raleigh, North Carolina

Tuesday, September 20, 2022
3:30 P.M.

Volume 1
Pages 1 through 100

A P P E A R A N C E S

Board of Trustees:

John Wilson, Chair
Amy Grissom
Renee Kumor
Jason Walser
Darrel Williams
David Womack

(via phone)

Ann Browning
Greer Cawood

Staff:

Phil Feagan, DNCR Legal Counsel
Zoe Hanson Burnet, DNCR Assistant General Counsel
Will Summer, Executive Director
Terri Murray, Executive Assistant
Steve Bevington, Restoration Program Manager
Marissa Hartzler, Acquisition Program Manager
Marie Meckman, Acquisition Project Manager
Justin Mercer, Stewardship Manager
Damon Hearne, Western Field Representative
Chelsea Blount, Central Field Representative
Jill Fusco, Eastern Field Representative

Also present:

(via phone)

Reid Wilson, Secretary for the Department of
Natural and Cultural Resources

Speaker from the Audience:

Clark Harris, Unique Places to Save

P R O C E E D I N G S

3:30 P.M.

1
2 Chairman Wilson: Hello, everyone; I'd
3 like to call today's meeting of the North Carolina Land
4 and Water Fund Board of Trustees to order. I am John
5 Wilson, the Board Chair, and I have accomplished my
6 first goal, which was to hit the gavel down on this
7 piece of wood instead of on my iPad. So I want to
8 welcome everyone who is here in person with us today or
9 with us by Teams or phone or otherwise. I'm not sure
10 what the otherwise would be, but maybe there is. I
11 also want to ask a couple of our Trustees, in
12 particular, Greer and Ann, can you both hear us?

13 Vice-Chair Browning: Loud and clear, this
14 is Ann.

15 Chairman Wilson: Greer, can you hear
16 us?

17 Ms. Hartzler: It doesn't look like
18 she's on.

19 Chairman Wilson: Okay, she's not on
20 yet. Let me know when she pops on, if you will,
21 please. I want to first thank our staff, who have
22 worked so hard to prepare for this meeting, as well as
23 our two committee meetings that preceded it. You've
24 given us the information and the tools and the venue
25 and the presentations to make good decisions today. I

1 would also like to thank all of our project applicants
2 for once again bringing us such a great group of
3 projects for consideration. Our Board and staff
4 recognize and appreciate all of the dedication and hard
5 work it takes to apply for funding to the North
6 Carolina Land and Water Fund. With that, I'll call the
7 role of our Trustees. Just say you're here if you are
8 here, please; Ann Browning?

9 Vice-Chair Browning: Here.

10 Chairman Wilson: Greer Cawood; all
11 right, we're still waiting for Greer. I think she's
12 going to join us; Amy Grissom?

13 Ms. Grissom: Here.

14 Chairman Wilson: Renee Kumor?

15 Restoration Committee Chair Kumor: Here.

16 Chairman Wilson: Mike Rusher is not
17 with us today; Jason Walser?

18 Acquisition Committee Chair Walser: Here.

19 Chairman Wilson: Darrel Williams?

20 Mr. Williams: Here.

21 Chairman Wilson: David Womack?

22 Mr. Womack: Here.

23 Chairman Wilson: And John Wilson is
24 here also. All right, General Statute § 138A-15
25 mandates that the chair inquires whether any Trustee

1 knows of any conflict of interest or the appearance of
2 a conflict of interest with respect to matters on the
3 agenda. If any Trustee knows of a conflict of interest
4 or the appearance of a conflict of interest, please
5 state so at this time.

6 Acquisition Committee Chair Walser:
7 Chairman, I have a conflict of interest on project
8 2022-004, Snake Mountain Overlook, Blue Ridge
9 Conservancy.

10 Chairman Wilson: Okay, I have a
11 conflict on project 2022-033, Foothills Conservancy
12 Blowing Rock, and I recall from the Acquisition
13 Committee meeting yesterday that Greer has some
14 conflicts, and we'll wait for her join us. Do we have
15 word from --

16 Mr. Hearne: Yeah, she's working
17 on getting on.

18 Chairman Wilson: Okay.

19 Acquisition Committee Chair Walser: If
20 you would like, I could list her conflicts, project
21 2022-7 --

22 Mr. Hearne: She may not be able
23 to hear; sorry.

24 Acquisition Committee Chair Walser: Greer
25 has conflicts on project 2022-70, 71, 73, and 91.

1 Chairman Wilson: Great; thank you,
2 Jason; any more conflicts or appearance of conflicts;
3 all right, moving on to item D, the first part of
4 agenda, I'd like to ask everyone to please make sure
5 your mobile phones and computers and any other beeping-
6 type items won't make any noise unless you are
7 recognized to speak. Now I'd like to ask if there are
8 any revisions or additions to today's agenda. If you
9 don't mind, I'd like to kick that off and make a motion
10 to make one minor revision and one addition. The minor
11 revision is simply to split the consent agenda into two
12 items. The consent agenda today includes approval of
13 our minutes from May board meeting and also a request
14 to extend some of the construction contracts. I just
15 feel like those are better handled as separate items
16 instead of as a consent agenda. We did that last time,
17 and I'm sorry; I just feel a little bit more
18 comfortable that way. And then the addition to the
19 agenda, per Will's email, and also I think maybe a
20 handout was distributed; I'd like to add to that motion
21 as business item number 5 a request for board action
22 regarding an access easement dispute at Salter's Creek
23 Landing. So that was a mouthful. Did everybody get
24 that? I will make that motion.

25 Ms. Grissom: I will second.

1 Chairman Wilson: Any seconds; any
2 discussion about that? All right, all in favor,
3 indicate by saying aye.

4 Trustees: Aye.

5 Chairman Wilson: Any opposed?

6 Executive Director Summer: Mr. Chair,
7 Greer Cawood is on if you want to check that -- if she
8 had a conflict with her.

9 Chairman Wilson: Greer, can you hear
10 us?

11 Ms. Cawood: I can; thank you,
12 Mr. Chairman.

13 Chairman Wilson: Okay, and if it's
14 okay with you, Greer, Jason listed the four projects
15 that you indicated a conflict with yesterday at the
16 Acquisition Committee meeting. Is that okay with you?

17 Ms. Cawood: That's great; thank
18 you, Jason.

19 Acquisition Committee Chair Walser: You're
20 welcome.

21 Chairman Wilson: All right, moving
22 right along, we have the first of those two items that
23 were on the consent agenda, but now they stand alone;
24 approval of minutes from the May 20, 2022 board
25 meeting, any comments about those or a motion to

1 approve?

2 Mr. Williams: So move.

3 Mr. Womack: Second.

4 Chairman Wilson: Darrel with the
5 motion and David with a second; any discussion
6 regarding the minutes?

7 Ms. Grissom: I would just add one
8 comment that I think because of the acoustics in the
9 room and masks some of the phrasing is -- is not as
10 fluid as it otherwise is. It feels like it would be,
11 perhaps, cumbersome to go line by line through the
12 entire eighty some or ninety pages of minutes, but I
13 think it's a reasonable document of what was said.

14 Chairman Wilson: I agree with you.

15 Ms. Grissom: Okay.

16 Chairman Wilson: I had the same
17 observation, but I think the spirit was there.

18 Ms. Grissom: I think so.

19 Chairman Wilson: Yeah; okay, then I
20 will call the question unless there's any more
21 discussion of the minutes. All right, in favor of
22 adopting the minutes from our May 20, 2022 board
23 meeting, please indicate by saying aye.

24 Trustees: Aye.

25 Chairman Wilson: Any opposed; okay,

1 moving right along, item 2(b), this is a request to
2 extend the date to enter into a construction contract
3 for existing grants. Steve, do you just want to give
4 some overview of that?

5 Mr. Bevington: I'd be glad to. By
6 statute, any project that involves construction is
7 required to enter into a subcontract for construction
8 within one year of the award date. We often have
9 difficult, applicants having difficulty making those
10 due to contracting situations where we don't offer them
11 a contract for several months after the project begins
12 or for other reasons, including COVID, there can be
13 some delays. In this case, we have six projects,
14 including several that are actually still working to
15 finalize the contract with us right now that do need to
16 extend that contract, through no -- no fault of their
17 own. There have been some staff delays, just for
18 example, project 2 -- 2021-401, Apex needed to take the
19 contract to city council for approval by the board.
20 The chair has approved the contract. Apex has approved
21 it, whether it was signed this week or not, I don't
22 know, but that project awarded last year is still
23 entering into a contract at this point. They had no
24 opportunity to meet that requirement. So these six, in
25 my opinion, it's sort of unavoidable. I know it sounds

1 like an awful long delay. We did hear some important
2 discussions in the Acquisition Committee about looking
3 for ways to speed up contracting and to have both staff
4 and/or our partners facilitate that process, and I
5 think that's a growth area for us for next year. So
6 with that introduction, we have six projects that you
7 would have -- if you did not agree to this extension in
8 contract until June of next year of 2023 -- through
9 June of 2023, technically, the contract would be --
10 they would be out of contract, and they would not be
11 able to receive construction funds. And with that, I'd
12 be glad to talk about any project in particular, but
13 hopefully next year I can bring you a shorter list.

14 Chairman Wilson: Is it possible to
15 quickly scroll to the second page of this document so
16 that we can just see the list of the six projects? Is
17 that on this video? There they are.

18 Mr. Bevington: I apologize. There
19 it was all along.

20 Chairman Wilson: There they are; any
21 discussion or a motion to --

22 Restoration Committee Chair Kumor: Excuse me.
23 Yes, do I have to recuse myself from this vote, because
24 I have --

25 Chairman Wilson: That -- do you want

1 to err on the side of caution?

2 Acquisition Committee Chair Walser: Yeah,
3 probably I would, yes.

4 Restoration Committee Chair Kumor: Yes, I
5 would. Mr. Chairman, I would have to recuse myself
6 from this vote because of 409.

7 Chairman Wilson: Okay.

8 Acquisition Committee Chair Walser: I would
9 like to make a motion that we approve the extension as
10 presented.

11 Chairman Wilson: Okay, is there a
12 second?

13 Mr. Williams: I second, but I have
14 a question.

15 Chairman Wilson: Darrel, yes.

16 Mr. Williams: Is it coincidental
17 that all of them have the same deadline and need the
18 exact same time to finish?

19 Mr. Bevington: It is not a
20 coincidence. It's my action. What happens is that the
21 award date started here -- when you made the awards,
22 that started the deadline, so they had all the
23 deadline.

24 Mr. Williams: Okay.

25 Mr. Bevington: They all have the

1 same finish date because they asked for different
2 deadlines, and the contracting process is -- I just
3 didn't want to have to bring through it twice, so I
4 bumped everybody to the end of the fiscal year.

5 Mr. Williams: Okay.

6 Restoration Program Manager Bevington: So --

7 Mr. Williams: Okay, Even though
8 some of them were actually shorter.

9 Restoration Program Manager Bevington: Some
10 of them asked for shorter. Some of them asked for
11 fiscal year upon my request. So four of them actually
12 listened to what I said December 30 -- June 30th, 2023.
13 I didn't mean to put it that way exactly, and I raised
14 the other two people requests because we would have to
15 bring it to you again in that case, and we would prefer
16 to have this be something that was one and done.

17 Mr. Williams: Okay.

18 Chairman Wilson: This was all
19 rehearsed carefully to make the point to split them
20 from the consent agenda.

21 Mr. Bevington: Well, in years past,
22 we have breezed over this with little -- less
23 attention, but I appreciate the attention and detail
24 you were paying for it; thank you.

25 Chairman Wilson: Okay, we have a

1 motion and a second to adopt the request to extend the
2 date to enter into a construction contract as shown in
3 that table there for those six projects; any more
4 discussion? Okay, we have Renee recusing herself. How
5 do you vote? All in favor, please say aye.

6 Trustees: Aye.

7 Chairman Wilson: Any opposed; all
8 right, thank you very much; I would now like to
9 recognize the Secretary of the North Carolina
10 Department of Natural and Cultural Resources, Reid
11 Wilson, for his update. Reid, where in the state are
12 you?

13 Secretary Wilson: You have to guess.
14 Thank you, Mr. Chairman; good afternoon, everyone; I am
15 actually in Cherokee. The Trail of Tears conference is
16 going on here and -- and there's a tour of different
17 Indian mounds in this part of the state going on right
18 now. I was there earlier, needed to come back here and
19 do this, and the Director of Main Spring Conservation
20 Trust, who I was with, well, the lunch for 150 people
21 was at their place. He asked me if would go to the
22 next tour stop, and I said, no, I have to get back to
23 the hotel room and talk to the Land and Water Fund
24 Board, and he said, oh, yeah, you should go do that.
25 That's very important. Those of you on the board and

1 staff know that they have a number of projects before
2 you, and I am not commenting on any of them. I just
3 wanted to let you know where I am, and as soon as I'm
4 done talking, I do have to get back on that tour. But
5 I want to start, as I always do at these meetings, by
6 thanking all of you on the board for your hard work and
7 good thinking, and expertise as you evaluate these
8 projects, and I want to thank the staff for all of the
9 hard work you do. You know, whenever -- as you know,
10 whenever the amount of money provided by the
11 Legislature and the Governor in the budget goes up,
12 that means you guys have way more -- way more work
13 because all of the applicants say, hey, there's more
14 available. Let's put more projects in front of the
15 Board, so I know that you all have been very busy for
16 the past number of months, and you all on the staff as
17 well have a tremendous amount of expertise, and I know
18 that the Board values your work and the department
19 does, too. And I want to thank the applicants. You
20 know, the Land and Water Fund does not fund any great
21 projects unless the applicants bring them in front of
22 the Board. And having been a previous applicant on and
23 off for 14 years, I know how much work goes into it. I
24 never did that work, but the people in my office did a
25 ton of work just to get those in front of you all. I

1 know that every applicant, whether you're a nonprofit
2 land trust or a local government or an organization
3 that does stream restoration, I know you've all put so
4 much time and effort into this, and I know you're eager
5 to find out how things go today, and, you know, Board,
6 you will make important decisions today, no doubt about
7 it. I know a lot of the work has already been done
8 yesterday in the Acquisitions Committee and this
9 morning in the Restoration Committee, but you still
10 have -- still have to make final decisions. The good
11 news, as you know, is there's a significant amount of
12 funding for you all to invest in strong projects around
13 the state, and I appreciate the seriousness with which
14 you go about evaluating all of these projects. You
15 know, there's the criteria. There's the scores.
16 There's a whole bunch of other factors that come into
17 play that I know you all discuss. And even though it's
18 great news that there's 71 million dollars available, I
19 think about 108 million was requested, which means
20 roughly one-third of the funding requested cannot be
21 provided at this time. So you all will be making
22 decisions that -- that matter, and I have great
23 confidence that you will focus the resources on your
24 overall mission, which is how best to protect good
25 water quality and how to help improve degraded water

1 quality all across the State of North Carolina. And
2 it's not just water quality that you all -- water
3 quality isn't the only benefit you all will provide to
4 the people of North Carolina. You know, a lot of your
5 projects turn into trails or parks or greenways, so
6 you're increasing outdoor recreation opportunities for
7 people, which everyone knows are more important than
8 ever given the health issues, the pandemic, and
9 everything for the last two and a half years. Your
10 projects will help protect wildlife habitat and plant
11 communities, which is so important, especially in terms
12 of helping boost ecosystem resilience to the changes
13 that are already coming and will continue to come from
14 climate change. You know, a lot of your projects end
15 up preserving historical sites or cultural resources.
16 That's so important to our state as well. A lot of
17 your projects protect military buffers, which is
18 important to our state. So everything you do, one way
19 or another, it isn't about water quality. It's about
20 our quality of life in all 100 counties, and it's about
21 boosting the economy and our economic growth in all 100
22 counties. So I thank you for that great work. What
23 you do is -- you know, a lot of people say, oh, Land
24 and Water, yeah, great, conservation projects,
25 restoration, but the benefits you provide go far beyond

1 that. So I appreciate everything you all do. Good
2 luck with your decisions today; good luck to all of you
3 who are applicants; I know you're on the edge of your
4 seats, but I thank you all, and I will now run back to
5 the Indian mound tour out here in Cherokee country.
6 Thank you all again for having me; I appreciate the
7 opportunity to say hello to you.

8 Chairman Wilson: Thank you, Reid; all
9 right, with that we will move to our Executive
10 Director's update from Will Summer.

11 Executive Director Summer: Thank you, Mr.
12 Chair; good afternoon, and I'd like to thank you all
13 for joining us today. I want to thank Secretary Wilson
14 for -- for covering a lot of my points for me, but I'm
15 going to -- I'm going to hit a few of them again
16 because I think it's important to -- to have them said
17 twice. So in a normal year, I would share some updates
18 and offer the usual perfunctory praise; however, this
19 was not a normal year, and no one involved earned
20 merely a perfunctory anything. So it was an
21 extraordinary year, and let me break it down. Since
22 this time last year, the General Assembly has passed,
23 and the Governor has signed not one, but two budgets.
24 Those budgets included an additional 115 million over
25 the buy in for us, including 15 million for flood risk

1 reduction and 11 million in an annual increase in our
2 recurring fund. I'm encouraged to see that
3 conservation has earned such a broad and strong
4 bipartisan support in North Carolina. I'd like to
5 thank the Governor and the General Assembly for
6 recognizing the opportunity of making conservation a
7 priority. I'd also like to thank our Legislative
8 Liaison, Deans Eatman, and extremely effective
9 advocates working on behalf of our partners for making
10 sure that conservation stays at the forefront of the
11 conversation as decision-makers are doing their work.
12 And for those of you with a long memory, keeping the
13 current count the 115 million happens to be the amount
14 we lost in 2009. Having money to spend is not worth
15 much if you have nothing worth spending it on, and
16 that's where our partners come in. Each year the
17 partners of our funds localized hundreds of people from
18 dozens of conservation and restoration organizations,
19 state and local governments across the state. This
20 year in response to the aforementioned generous budget,
21 we received 195 applications from our partners, and for
22 every dollar we spend, our partners have historically
23 found \$1.70 to match against our funds, so a heartfelt
24 thanks to all the partners for making us look so good.
25 And how much would you expect to pay nine people to

1 review all of those applications? Occasionally, we get
2 them out through the forest and wetlands and then be
3 locked in a room for two long days deliberating on each
4 application. Just the time the Trustees have spent on
5 the phone this year talking with me is above and beyond
6 for our all volunteer board. Having spent the better
7 part of two days now in watching the Trustees
8 deliberate and tackle complex issues and make difficult
9 decisions, we all see how much concern you all have to
10 get it right. After 14 years of watching the process,
11 I never know where you will end up when the meeting
12 starts, but I know the outcome will be the result of
13 thorough debate and ultimately will be what you all
14 feel is truly in the best interest of the citizens you
15 represent. Because of your commitment to getting it
16 right, I am grateful that the critical decisions of our
17 organization are in your hands. In a year when
18 extraordinary is the standard, I have to save praise
19 for my team for last. The last time we had this number
20 of applications and this level of funding was in 2008,
21 and we had exactly twice as many people on staff. To
22 make them the real underdogs in the story, when the
23 budget was announced in November, we had three
24 vacancies out of a total of ten positions. So with
25 quintupling of the appropriated dollars and with staff

1 down nearly a third, we started 2022 having over 60
2 million in recently funded projects to add to the
3 implementation pile, 195 applications to review, and a
4 brand new Flood Risk Reduction program to stand up.
5 Most managers have to think of creative ways to keep
6 staff motivated and try to get that extra little bit
7 out of them, but I don't have that problem. Instead, I
8 am pleading with my team to take some time off so they
9 don't burn out. My favorite brag continues to be that
10 every person on this team has been hired under my
11 supervision, and to a person, I would hire every single
12 one of them again. So to my -- to my team, I'd like to
13 offer my sincerest thanks to you for your commitment to
14 our mission. So these last two years have been
15 historic for the work we do. The levels of funding
16 won't last forever, and I don't know how long it will
17 be until we see them again. Our challenge is to
18 capitalize on the opportunity, and I want to sincerely
19 thank all of the people in this room and in our larger
20 community for helping us make hay while the sun is
21 shining. Mr. Chairman, that concludes my report.

22 Chairman Wilson: Thank you, Will;
23 okay, we will now move on to the public comments
24 section of our meeting. Before I open the floor for
25 public comments, I'd like to remind our guests that

1 North Carolina Land and Water Fund policy prohibits
2 using this time to advocate for individual projects
3 being considered for funding during this meeting. With
4 such a large number of applications before us, it
5 wouldn't be practical for everyone to speak on behalf
6 of their individual projects. Other public comments on
7 general issues falling within the jurisdiction of North
8 Carolina Land and Water Fund are welcome, but please
9 limit any comments to three minutes per person; with
10 that, I'll ask if -- okay.

11 Mr. Harris: Hello, I'm Clark Harris
12 from Asheville, North Carolina, and I'm here speaking
13 as a taxpayer for the great State of North Carolina.
14 So as an outdoor enthusiast and nature lover, I want to
15 start by saying thank you for the amazing impactful
16 work you do, for putting our tax dollars to use in a
17 way that directly impacts so many of the North
18 Carolinians here. So yesterday in the meeting I heard
19 multiple times the phrase, we want to spread the love
20 across the state. I couldn't agree more with that.
21 That's where the taxes are coming from that funds this.
22 And we should -- we should also put the grants out to
23 match that area. So this year, we've got the great
24 fortune to have a fund with more money than typical. I
25 believe, and I hope that you do, too, that all ships

1 should rise in a high tide. This is an exceptionally
2 high tide, which means that all of the ships out there
3 with a competitive score should rise to exceptional
4 heights. So I want to urge everyone to honor that
5 statement and to really look at all of the ships and
6 give them the chance to have that lift with your
7 grants; thank you again for the impact you have on us
8 here and our taxpayers of North Carolina.

9 Chairman Wilson: Any more comments;
10 anybody online or on the phone; anybody talking who is
11 muting; all right, hearing none, we will then move on
12 to the business section of our meeting. Item one is
13 consideration of the recommendation from the Executive
14 Committee, and our agenda indicates that this will be
15 managed by the Chair. I am the Chair of the Executive
16 Committee, but as we look at the detail it says,
17 fortunately that this item will be handled by staff
18 member Will Summer. So as Chair, I would like to
19 recognize one Mr. Will Summer.

20 Executive Director Summer: Thank you very
21 much, Mr. Chair; this will be pretty brief. As you
22 know, the Executive Committee met and made a
23 recommendation on how much the available funds each
24 Committee should allocate for grant awards. Of course,
25 the Committees have taken that number and done their

1 work with it. So part of the -- the point would be
2 moot; however, this motion also directs staff with what
3 to do with different funds that come in throughout the
4 year, so it is important to get on record the full
5 Board's approval of the Executive Committee
6 recommendation and getting that on record. And, Damon,
7 are you driving? Would you mind scrolling down to that
8 agenda item?

9 Mr. Hearne: Yep.

10 Executive Director Summer: I'll be happy
11 to read this. It's a little blurry. Do you want me to
12 read it?

13 Mr. Hearne: Sure.

14 Executive Director Summer: So the
15 Committee recommendation was that the Committee
16 recommends for the 2022 grant cycle that all available
17 funds be allocated as follows: 80 percent of the funds
18 to the Acquisition Committee; 20 percent of the funds
19 to the Restoration, Innovative Stormwater, and Planning
20 Committee, and the Acquisition Committee will be
21 charged with allocating funding for the Donated Mini-
22 Grant Program. The Restoration, Innovative Stormwater,
23 and Planning Committee will be charged with allocating
24 funding for each of their three program areas based on
25 the merit of the applications during project review.

1 All returned or unspent grant funds received after the
2 funding meeting will revert to their respective
3 programs to be used for additional awards for the
4 remainder of the fiscal year.

5 Chairman Wilson: Thank you; okay,
6 this comes to us from the Executive Committee, so we
7 don't need another motion or second, but we certainly
8 can have discussion. This has sort of been the
9 assumption under which we've been operating in our
10 Committees, and now we make that official by approving
11 or amending this Committee recommendation; any
12 discussion of this recommendation from the Executive
13 Committee? Okay, I'll call the question now. All in
14 favor, please indicate by saying aye.

15 Trustees: Aye.

16 Chairman Wilson: Any opposed; all
17 right, thank you very much, Will; we now move to item
18 two on our business agenda, and that is consideration
19 of the Acquisition Committee Recommendations, and we
20 will hear from Chair Jason Walser.

21 Acquisition Committee Chair Walser: So we're
22 going to have some fun. I'm not entirely sure how to
23 do this, but we have some work to do as a Board, as a
24 full Board. Let me start with the recommendations that
25 we made yesterday for the full Board to take up. The

1 first is that the Acquisition Committee recommends up
2 to \$500,000.00 of funding be allocated as available to
3 the Donated Mini-Grants and projects from September
4 20th of 2022 through the funding meeting in 2023, 2023.
5 The funds will be taken from license plate revenue and
6 returned funds as needed, so that comes as a
7 recommendation, as a motion.

8 Chairman Wilson: Excellent, thank
9 you, and there it is. This comes to us from the
10 Acquisition Committee, so again it doesn't need a
11 motion or a second, but discussion is welcome; any
12 questions? Okay, let's vote on this then, please. All
13 in favor, please say aye.

14 Trustees: Aye.

15 Chairman Wilson: Any opposed; okay,
16 back to you, Jason.

17 Acquisition Committee Chair Walser: Here's
18 where it gets fun. The Acquisition Committee had
19 \$56,988,917.00, including \$1,173,799.00 directed to
20 protect military buffers to award to 2022 applications.
21 The information is on the screen. I know it's hard to
22 follow. The Committee recommends a cap of projects at
23 4.7 million dollars for an individual project. The
24 Committee recommends that deferring decision on funding
25 project 2022-127 Unique Places to Save - Eagles Island,

1 pending further discussion in the Board meeting today.
2 The Committee recommends not funding project 2022-125,
3 Three Rivers Land Trust - Sharpe Tract, that is because
4 it had -- it had reserve rights that were atypical that
5 we did not feel comfortable recommending it at that
6 this time, and the Committee recommends funding the
7 following projects in their score order pending
8 availability of funds, and these projects can be seen
9 on the screen, and they are in order of rank. In other
10 words, the Acquisition Committee recommends funding all
11 projects in order of score, based on our scoring
12 criteria, with the exception of the Three Rivers Land -
13 Sharpe Tract and the Unique Places to Save - Eagles
14 Island project, which we're prepared to discuss today.
15 We also have some conflicts, so we'll need to stagger
16 the vote when it's time and, Chairman, I'll defer to
17 you on how we want to proceed in terms of the
18 discussion about Eagles Island.

19 Chairman Wilson: Okay, I would
20 suggest that we try to bite off as much of this as we
21 can. You know what; let's -- let's not do that. Let's
22 -- let's take this letter by letter --

23 Acquisition Committee Chair Walser: Okay.

24 Chairman Wilson: -- and -- by line
25 those recommendations from the Committee.

1 Acquisition Committee Chair Walser: Okay.

2 Chairman Wilson: Okay, so if we could
3 scroll back up to A, please; this is a recommendation
4 from the Acquisition Committee for a cap of 4.7 million
5 dollars maximum; coming to us from the Committee, any
6 discussion on this?

7 Restoration Committee Chair Kumor: Is it
8 possible to see that Excel spreadsheet for Acquisition
9 as we have for the counterpart for Restoration?

10 Chairman Wilson: Damon?

11 Mr. Hearne: You all can tell me
12 if this is -- I'm not sure what -- does that look
13 right?

14 Chairman Wilson: Can you make it
15 larger for my eyes, please?

16 Mr. Hearne: I'm working on it.

17 Ms. Hartzler: I would -- I would
18 ask you to maybe scroll down to Amazing Grace to see
19 that number.

20 Mr. Hearne: Okay, yeah; yeah,
21 13623, that's correct.

22 Chairman Wilson: But you've got --

23 Mr. Hearne: Yeah, this -- this
24 -- this thing is not meant to track the actual funding.

25 Chairman Wilson: Oh, okay.

1 Mr. Hearne: It's just an
2 estimating tool.

3 Restoration Committee Chair Kumor: So --
4 Chairman Wilson: Okay.

5 Restoration Committee Chair Kumor: So these
6 are your cap only impacted two requests, okay.

7 Chairman Wilson: Correct, so --

8 Mr. Hearne: So we wanted to
9 represent that in here.

10 Chairman Wilson: And, Renee, just for
11 your information, the third largest request was just
12 the -- was just less than 4.7 million.

13 Restoration Committee Chair Kumor: Okay.

14 Chairman Wilson: So that cap only
15 directly impacted the two largest projects.

16 Restoration Committee Chair Kumor: Two
17 largest, okay.

18 Chairman Wilson: Which were a
19 considerably larger ask amounts.

20 Restoration Committee Chair Kumor: Okay, and
21 then taking out with -- with your cap and with the
22 number that you have, the one that you talked about
23 125, would that have been --

24 Acquisition Committee Chair Walser: It
25 would have been --

1 Restoration Committee Chair Kumor: It would
2 have been.

3 Acquisition Committee Chair Walser: And I
4 would love to discuss that if you have some questions.
5 There were just lot of reserved rights. It scored
6 well. The landowner -- it was a good project. We just
7 felt uncomfortable at this moment funding it,
8 recommending it to be funded, and I think we're going
9 to discuss some policy changes in the future about
10 reserved rights, and how much we're willing to
11 consider. So it was a good project. It just had a lot
12 of management that we weren't quite sure we felt
13 comfortable with deviating from our standard
14 conservation --

15 Restoration Committee Chair Kumor: Then with
16 not discussing the Eagle Island and not -- and taking
17 out 125, how far down the list did you get?

18 Mr. Hearne: I can get back to
19 that one. I'd rather show the air table that has the
20 tracking of what we spent.

21 Restoration Committee Chair Kumor: Okay.

22 Mr. Hearne: I'm sorry. The
23 screen is not letting me get quite to the maximum, but
24 just give one second to get there. So we got down to
25 score order number 80, which was the 60 and --

1 Restoration Committee Chair Kumor: Oh, wow.

2 Mr. Hearne: And -- but that is
3 also, if you recall, there is more green on this list.
4 It's our provisional, like yours has. This is all
5 green, so somewhere in there, depending on what happens
6 with the 4.7 million that's in holding that some of
7 these will end up in a provisional status, and some of
8 them will or won't get funded based on what -- because
9 there's some leftover money because a decision wasn't
10 made. So you can't really compare this list and the
11 descriptors to how yours is working because there's
12 money left, and it's a longer list waiting for a
13 decision today.

14 Restoration Committee Chair Kumor: So all we
15 will be voting on right at this point is these -- this
16 funding recommendation less the two that you pulled
17 out, one not to be funded and one to be discussed.

18 Mr. Hearne: And that's why they
19 call it subject to availability because we don't know
20 what the availability is until now.

21 Ms. Hartzler: Looking at the Excel
22 sheet, I think that, and again depending on decisions
23 made this afternoon, as it stands that's probably going
24 through project 105 with about nine that are waiting on
25 returned funds and additional license plate revenues,

1 but, again, that's just as the report that was on the
2 screen shows. It doesn't reflect any decisions made
3 this afternoon.

4 Chairman Wilson: How are you feeling,
5 Renee?

6 Restoration Committee Chair Kumor: That's
7 fine.

8 Chairman Wilson: Oh, okay.

9 Restoration Committee Chair Kumor: Yeah, I'm
10 not challenging. I'm just trying to understand.

11 Chairman Wilson: I thought you were
12 thinking of --

13 Restoration Committee Chair Kumor: No, I was
14 just trying to -- to understand.

15 Mr. Hearne: Don't feel bad. It
16 took us nine hours, and you only had nine minutes.

17 Restoration Committee Chair Kumor: I'm just
18 getting a clear picture.

19 Chairman Wilson: So let's -- we'll
20 ease into this with what I think is maybe hopefully the
21 easy things first. So we're still looking at item A,
22 which is the cap of 4.7 million. Are we ready to vote
23 on that? Yeah; okay, all in favor of a cap of 4.7
24 million for acquisition projects, please say aye.

25 Trustees: Aye.

1 Chairman Wilson: Any opposed; okay,
2 do we need vote on item B? Do we need to vote on B, or
3 do we just -- do you want to vote on it?

4 Attorney Feagan: Right; I think we
5 can move on to C and then come back.

6 Chairman Wilson: Come back.

7 Attorney Feagan: Yes, see what the
8 vote is.

9 Chairman Wilson: Yes, okay, item C is
10 a recommendation from the Committee to not fund project
11 2022-125 Three Rivers Land Trust - Sharpe Tract; any
12 discussion on this before we vote?

13 Restoration Committee Chair Kumor: I'm just
14 -- are you just going to throw it out there?

15 Acquisition Committee Chair Walser: I
16 would be more than happy to talk about it if you would
17 like to learn more.

18 Restoration Committee Chair Kumor: I -- I
19 just -- yes.

20 Acquisition Committee Chair Walser: Okay, so
21 Mr. Sharpe, he was a landowner who had a great track
22 record of restoration work, bought a Loblolly
23 plantation, and he wanted to do a lot restoration work
24 over time and wheel out some Loblolly harvesting and
25 restoration work for a short period of time, but he had

1 signed a contract with the National Resource
2 Conservation Service and with, I believe, a timber
3 company to help manage and sell timber on his property
4 for some foreseeable future time, and we did not feel
5 comfortable putting Clean Water money into a working
6 forest easement. It did have a lot of other -- it
7 scored well. It had a lot of other conservation
8 values, but there was going to be a lot of active
9 management, more so than what we typically find, and we
10 just felt that we needed to discuss it more before we
11 gave it a thumbs up today.

12 Restoration Committee Chair Kumor: Okay,
13 thank you.

14 Chairman Wilson: Any more discussion
15 on item C; are we ready to vote? All right, all in
16 favor, say aye.

17 Trustees: Aye.

18 Chairman Wilson: Any opposed; oh, I'm
19 an aye also, sorry. Any opposed; okay, item D, the
20 Committee recommending funding of the projects in their
21 score order pending availability of funds; can we just
22 scroll that one last time before we vote. Is that
23 possible to do a gentle scroll?

24 Mr. Hearne: You're going -- how
25 far down do you want me to go?

1 Chairman Wilson: I just want to be
2 able to just go to the bottom.

3 Mr. Hearne: Oh, so they will
4 definitely know.

5 Chairman Wilson: So we -- just so our
6 eyes --

7 Acquisition Committee Chair Walser: So for
8 Renee and Darrel, what's happening here is we have
9 pulled out the projects where there was a conflict of
10 interest. We're going to vote on them separately.

11 Restoration Committee Chair Kumor: Okay.

12 Acquisition Committee Chair Walser: So
13 this is the projects that do not have a conflict.

14 Chairman Wilson: Again, ranked in
15 order.

16 Mr. Hearne: I think that's the
17 end of that first set, and E is afterwards.

18 Chairman Wilson: Okay, and to be
19 clear, that excluded all of the conflict of interest
20 projects?

21 Mr. Hearne: Marissa?

22 Ms. Hartzler: Yes.

23 Chairman Wilson: Well done; okay, any
24 discussion?

25 Restoration Committee Chair Kumor: It also

1 did not include Eagle --

2 Chairman Wilson: Eagles Island,
3 Restoration Committee Chair Kumor: Eagles
4 Island.

5 Chairman Wilson: Correct.

6 Restoration Committee Chair Kumor: So that's
7 not included.

8 Chairman Wilson: Nor is the Sharpe
9 tract.

10 Restoration Committee Chair Kumor: And the
11 Sharpe Tract, okay.

12 Chairman Wilson: Okay, hearing no
13 more discussion, I will ask you to vote, please. All
14 in favor, say aye.

15 Trustees: Aye.

16 Chairman Wilson: Okay, any opposed;
17 okay.

18 Acquisition Committee Chair Walser: So
19 letter E, the Committee recommends funding the
20 following projects in their score order with Greer
21 Cawood recusing, projects 2022-70, 2022-91, 2022-71,
22 and 2022-73.

23 Chairman Wilson: Okay, thank you, and
24 this is with Greer recusing. Any discussion of these
25 four projects; all right, I'll ask you to vote now. If

1 you are in favor, please say aye.

2 Trustees: Aye.

3 (Ms. Cawood recused from voting.)

4 Chairman Wilson: Any opposed; all
5 right, I am going to exit the room.

6 Executive Director Summer: And Ann will be
7 running the meeting?

8 Chairman Wilson: Oh, yes, Ann, can
9 you run the meeting from cyberspace?

10 Vice-Chair Browning: Yes.

11 Chairman Wilson: Okay.

12 Vice-Chair Browning: If I can scroll down
13 and let me --

14 Acquisition Committee Chair Walser: So,
15 Vice-Chairman, I'll go ahead and make a recommendation.
16 The Acquisition Committee made a recommendation to fund
17 project 2022-033, The Foothills Conservancy of North
18 Carolina - Blowing Rock Tract - John Rivers Headwaters
19 for \$2,089,917.00.

20 Vice-Chair Browning: Great; thank you,
21 Jason; any discussion before we call the vote?

22 Ms. Grissom: Vice-Chair, this is
23 Amy. I just have a -- just a clarification, and I
24 guess to some extent it applies to what we just voted
25 as well as this score. The votes to fund would, in

1 fact, place these in that larger list at their ranked
2 scores.

3 Acquisition Committee Chair Walser: Thank
4 you for saying that; that is correct.

5 Ms. Grissom: Correct?

6 Acquisition Committee Chair Walser: They
7 will -- they fall in place. They were removed only
8 because of the conflict, but they will fall into place
9 based on their rank score, correct.

10 Ms. Grissom: Exactly, so not --

11 Acquisition Committee Chair Walser: Based on
12 the availability of funds.

13 Ms. Grissom: -- that they're
14 getting pulled and categorically funded.

15 Acquisition Committee Chair Walser: Thank
16 you for that clarification, yes.

17 Ms. Grissom: Okay, that's it.

18 Vice-Chair Browning: Yes, thanks --
19 thanks, Amy; any other discussion or points to be made;
20 all right, all in favor of funding in score order by
21 project 033, signify by saying aye.

22 Trustees: Aye.

23 (Chairman Wilson recused from voting.)

24 Vice-Chair Browning: I'm aye; any
25 opposed? Okay, thank you; we welcome John back.

1 Acquisition Committee Chair Walser: I'm going
2 to leave the room, and Chairman Wilson will come right
3 back in.

4 Chairman Wilson: All right, item G
5 recommendation to fund the following project in its
6 score order pending availability of -- availability of
7 funds with Jason Walser recusing. This is 2022 - 004 -
8 Blue Ridge Conservancy - Overlook Tract - Snake
9 Mountain. Any discussion about this project or
10 questions; okay, I will ask for a vote now. All in
11 favor, please say aye.

12 Trustees: Aye.

13 (Acquisition Committee Chair Walser recused
14 from voting.)

15 Chairman Wilson: Any opposed; you're
16 back. Okay, is this everything that is on the list
17 from the Committee A through G?

18 Executive Director Summer: Yes, sir.

19 Chairman Wilson: Okay, do you want to
20 still be -- how do you want to proceed?

21 Acquisition Committee Chair Walser: I would
22 love -- I would love to lead the conversation on Eagles
23 Island --

24 Chairman Wilson: Okay.

25 Acquisition Committee Chair Walser: -- if

1 that's an invitation.

2 Chairman Wilson: Yes, are we ready?

3 Acquisition Committee Chair Walser: So I
4 invite input from those who are on the Acquisition
5 Committee who participated yesterday. We spent about
6 eight hours reviewing projects, and we spent more than
7 an hour reviewing -- reviewing this one. There were
8 concerns about, I think, the cost, the size of the
9 project and also the appraisals and evaluations. So we
10 ended up having a vote on this particular project, as
11 we did on all the projects, and we split three to
12 three. So today with all of the Board members present,
13 I am hoping the Chairman will help us take another
14 vote. I'm going to do my best to present the facts, as
15 I remember them, but I want my fellow Committee members
16 to help me out with this. Eighty-two acres in
17 Wilmington across from the waterfront in downtown
18 Wilmington, it is a project that's time sensitive.
19 Justin presented it. Some of our Board members went to
20 see it. It is certainly imminently threatened. It was
21 by far the most expensive project that we reviewed
22 yesterday, by far, by a factor of many, and that's I
23 think the main reason that it jumped out at us. I
24 heard multiple times that everyone said this is a good
25 project, and we would like for it to happen. There was

1 no opposition to the project as a project. It has a
2 lot of conservation value, and it is the second highest
3 scoring project that we have, period. So here begins
4 our conversation and our fiduciary obligations. It's
5 about the stewardship of our resources. We have capped
6 -- as you know, as of today, we have capped the
7 projects at 4.7 million dollars. There was some
8 discussion about capping this as a percentage of
9 valuation. We did not make a recommendation to do
10 that. We just capped it at 4.7 million dollars across
11 the board for all projects. We're going to discuss
12 this project as a stand-alone project. We have some
13 other conditions. There was some concern about the
14 ultimate conservation vision for the project and the
15 partnerships that were not quite fully matured at this
16 point. Again, I'm going off memory. I have no notes
17 written in front of me. Please, guys, help me out if
18 I'm missing something, so concern about the
19 conservation vision, concern about the appraisal, and
20 concern about the cost; in a nutshell, that's where we
21 are. What did I leave out, fellow committee members
22 and Greer and Ann? Did I do an accurate job of
23 describing where we wound up?

24 Mr. Womack: Maybe a

25 clarification on the vote; the vote was to not fund it

1 all. I think there was three -- there was three in
2 favor of not funding it at all and three not in favor
3 of funding the entire project but funding it with the
4 4.7 million cap.

5 Acquisition Committee Chair Walser: That
6 is correct.

7 Mr. Womack: And I think the
8 general tenor of the committee's discussion was that at
9 the 12 million dollars, I don't think anyone -- we
10 didn't vote on it, but my sense is that we were not in
11 favor of spending that much money on this project.

12 Acquisition Committee Chair Walser: I think
13 that's fair, yes.

14 Mr. Williams: As a matter of fact,
15 I don't know if you had some inside information. I
16 heard about the three to three vote. I was actually
17 here -- I was actually here around the vote, and he
18 said I -- I forgot he was Chair, so. But I'm curious
19 about the 4.7 relative to 12 million. I'm assuming
20 that if -- if -- if they don't get the 12 million, the
21 4.7 is not going to take care of what they're trying to
22 do, right?

23 Acquisition Committee Chair Walser: We
24 had that discussion yesterday. We heard from Clark,
25 who spoke in the public comments today, who said that

1 he would welcome a lesser amount. He did not say the
2 project was dead. I don't know if we want to entertain
3 any conversation with him now, but he indicated that he
4 would welcome funding at any level. Is that a fair
5 assessment? That's what I heard. Would you like to
6 invite him?

7 Chairman Wilson: I would like to ask
8 him a question or two.

9 Acquisition Committee Chair Walser: I
10 think that would be appropriate.

11 Chairman Wilson: Thanks; so, Clark,
12 when we visited the property, I and another trustee and
13 staff; you referred to a landowner, and then yesterday
14 when you spoke, you referred to the landowner. Who is
15 the landowner?

16 Mr. Harris: So when I refer --
17 refer to the landowner, I'm referring to the controlling
18 interest of the land. There are multiple tracts with
19 multiple owners, but there is one controlling interest
20 making the decisions for the entire 82 acres. So every
21 time I'm talking about the landowner, I'm talking about
22 the controlling interest of all the parcels.

23
24 Chairman Wilson: And who is that?

25 Mr. Harris: Jay Schott and his

1 brother are the controlling interest because
2 Diamondback they are involved in every piece there.

3 Chairman Wilson: Okay, and just to --
4 to clarify for everybody, so the appraisal that you
5 submitted has the sales history with the breakdown of
6 the parcels that comprise the 82 acres, and it lists
7 two different landowners. It lists TMC.

8 Mr. Harris: That's right.

9 Chairman Wilson: And the holdings of
10 TMC, so let's just call those one and the same,
11 and then it lists Wilmington Unique Places, LLC.

12 Mr. Harris: Right.

13 Chairman Wilson: Can you explain to
14 us like what -- who is Wilmington Unique Places and the
15 -- the applicant is Unique Places to Save. Can you
16 just explain to the Trustees the --

17 Mr. Harris: Sure, sure.

18 Chairman Wilson: What is the
19 distinction between those?

20 Mr. Harris: Sure, so as some of
21 you know in the conservation world, Jeff Fisher is
22 Unique Places, LLC in the past. In this case, Jeff
23 Fisher came in to buy some of the wetlands, that is
24 Unique Places in Wilmington, LLC, and got to know Jay
25 Schott. That's where this conservation opportunity

1 landed. The landowner was not involved in the
2 conservation world at all, but through conversations
3 through that partnership, Jeff got to know the
4 landowner and his brother, and when a small filing
5 error happened with the developer who has been working
6 on this for four years, a window opened that we could
7 make a -- a deposit on the land and put it under
8 contract in a very tight time. So Jeff's involvement in
9 part of the property on the wetland side, not on the
10 uplands, led him to this relationship which opened the
11 door for this opportunity.

12 Chairman Wilson: And the distinction
13 between Wilmington Unique Places and then Unique Places
14 to Save which is the applicant. You're the Executive
15 Director of Unique Places to Save, is that correct?

16 Mr. Harris: That's right. So
17 the only distinction is for a while Jeff Fisher's
18 company was Unique Places, LLC. He later went on to
19 found Unique Places to Save, so we had a carry --carried
20 over the name, but that's been wound down. He's now
21 Arcadia Land and Water, and there will only be one
22 Unique Places moving forward. We are winding up
23 confusion there for this very reason.

24 Chairman Wilson: So is he still
25 involved with Unique Places to Save?

1 Mr. Harris: Yes, he's serves
2 on the board, correct.

3 Chairman Wilson: Okay, thank you.

4 Mr. Harris: Yeah, absolutely.

5 Chairman Wilson: Awesome, thank you.

6 Acquisition Committee Chair Walser: And
7 while you're up, I just want to clarify the question.
8 If you had 4.7 million dollars, you would accept such a
9 grant with some condition level, is that --

10 Mr. Harris: Absolutely.

11 Acquisition Committee Chair Walser: Okay.

12 Mr. Harris: Yeah, I got
13 assurances from the landowner that we're willing to
14 have a conversation and that he is open to -- he's open
15 to discussion.

16 Acquisition Committee Chair Walser: Okay.

17 Mr. Harris: Yep.

18 Acquisition Committee Chair Walser: Thank
19 you; so, Mr. Chairman, I don't know where that leads
20 us. I want to have an open discussion, but we talked
21 about the conditions, and I sort of shut the
22 conversation down yesterday and said if we're going to
23 talk minutia, details and conditions, we need to talk
24 about it as a full board, so that everyone here could
25 feel like they had a say in this. It is a -- it's a

1 big project. It's a huge project, about 20 percent of
2 our total funding at 12 million dollars, not at 4.7,
3 and there's some concerns that our committee members
4 had. So I invite more discussion. If you want me to
5 get into some of the ideas I have on the conditions, I
6 can, but I don't know that we're there yet.

7 Mr. Williams: Well, one thing, it
8 seems to me that if we were to fund 4.7 of the 12
9 million request, that the staff need to be comfortable
10 with that and to make sure that it makes sense, you
11 know. It may be based on some criteria or something,
12 but how -- what -- what portion of it gets acquired,
13 you know, why that portion versus another portion. I
14 don't know. I just raise that as a question.

15 Ms. Hartzler: If I may, when
16 projects are capped, when projects change, we are
17 looking at using a decision maker's tool to make sure
18 that it's a proportional protection, conservation
19 values that we all scored and funded that those are
20 well represented, and it's through that process then,
21 that it's being, starts reviewing, and comes back for
22 Executive Director approval, Chair approval, full Board
23 approval.

24 Mr. Williams: That's exactly what
25 I'm talking about.

1 Acquisition Committee Chair Walser: So we
2 talked about it yesterday, and I'm sorry, Chairman, for
3 diving into this after I said I wasn't going to talk
4 about this. We talked about making it kind of an all
5 or nothing thing. If we did 4.7 million dollars, we
6 would not lose the scope in such a way that we
7 protected wetlands, but not the nine acres of uplands
8 that can be a hotel or a spa, which is permitted and
9 proposed. We wanted today if we put money into this,
10 it's all going to be protected. We're not just going
11 to protect the parts that are left. So we can toy and
12 play with that if we want to put those kind of
13 conditions on it, but we -- we did have a very strong
14 opinion that if we're going to participate, it needs to
15 be kind of an all or nothing situation; is that fair?
16 I hope I'm expressing the will of the Committee
17 appropriately.

18 Chairman Wilson: As opposed to what
19 we often do, which is phasing a project.

20 Acquisition Committee Chair Walser: Right,
21 correct.

22 Chairman Wilson: You've got a 3
23 million dollar project, and -- and we'll say we'll give
24 you 1 million. You -- you might -- you would go and
25 buy a third and then another third and another third.

1 In this case, I think I can say the Committee was not
2 comfortable with that, and that was a relatively
3 unanimous sentiment of the Committee --

4 Acquisition Committee Chair Walser: Correct.

5 Chairman Wilson: -- that we needed to be
6 talking about the entire 82 acres, so we didn't get
7 into just buying wetlands that were never going to be a
8 hotel.

9 Mr. Williams: Yeah, right.

10 Ms. Cawood: And, Mr. Chairman,
11 it's Greer; if I could suggest if staff was able to put
12 up the map of the project, I think that might be able
13 to help the Trustees, and you all may have it in front
14 of you, but that was very helpful to me as we talked
15 about the value of the land as a whole.

16 Mr. Womack: And, Darrel, while
17 she is doing that, to your question about the partial
18 funding of it all, we had another project that was a
19 little bit larger than this one, and the discussion
20 with the staff, they weren't positive about being able
21 to take that and start phasing on a larger landscape --
22 in the light of that -- and again, I think that's
23 correct. So that wasn't the focus. This is just a
24 different puzzle.

25 Mr. Williams: Yeah.

1 Restoration Committee Chair Kumor: So where
2 -- which are the wetlands?

3 Acquisition Committee Chair Walser: Justin,
4 would you like to weigh in?

5 Mr. Mercer: Sure, so the -- the
6 majority of the property is classified as wetland. The
7 -- the parcel outlined in -- thank you, the parcel
8 outlined in yellow here is the match area. There is --
9 there's approximately 14 acres right along the river
10 front that is not classified as wetlands, but then the
11 majority of the rest of this is. I think the number
12 was about 67 and a half acres is wetland.

13 Restoration Committee Chair Kumor: What's
14 the cost per acre?

15 Acquisition Committee Chair Walser: So -- so
16 a little less than \$300,000, \$272,000.

17 Chairman Wilson: \$273,000 an
18 acre?

19 Acquisition Committee Chair Walser: \$273,000
20 an acre.

21 Chairman Wilson: Correct.

22 Mr. Williams: Is that what it
23 appraised at?

24 Acquisition Committee Chair Walser: There
25 was an appraisal submitted for that, yes, and that was

1 one of the discussions we had yesterday, how much we
2 wanted to get into the appraisal, and not all of our
3 projects have appraisals submitted with them. Some of
4 our projects are not under contract; some of them don't
5 have appraisals, but since this was submitted, it was
6 looked at closely. It's a very expensive project.

7 Mr. Williams: And does staff ever
8 get into the details of trying to figure out the
9 appraisal process for that particular appraisal?

10 Ms. Hartzler: Some we do; we do
11 have an appraisal process. Appraisals are required in
12 order for grant funds to be spent on a project. When
13 the total value of the project is under \$500,000.00,
14 one appraisal is required. When it is -- anticipated to
15 be above half a million dollars, and that is in request
16 as well as matching funds, the total cost of the
17 property, two appraisals are required. Those appraisals
18 are reviewed by the State Property Office, and an
19 approved valuation is issued from that, and then after
20 that value is in, we cannot contribute. The land cannot
21 be more expensive than that approved valuation.

22 Mr. Williams: So how does
23 that compare to this, the appraisal for this project?

24 Ms. Hartzler: That process
25 typically does not happen until after a project is

1 awarded. So that's part of the contract. It's, you
2 know, a condition of you -- you receive those funds
3 pending that SPO approved valuation.

4 Acquisition Committee Chair Walser: And this
5 conversation was had at length yesterday, and that's
6 why you're discussing it now. We have to deal with
7 this. We -- so if we dig into the appraisals on every
8 project that we fund as Board members, we are going
9 down a slippery slope. However, this one jumped out
10 because it is a number that's exponentially larger than
11 other projects that are in front of us, and we talked
12 about where we draw the line. But your questions are
13 the questions we were asking yesterday, which is why
14 we're here.

15 Ms. Grissom: And it was submitted
16 as a part of it.

17 Acquisition Committee Chair Walser: Right.

18 Restoration Committee Chair Kumor: So that
19 even should we move forward with granting the 4.7,
20 there's going to be somebody coming behind us at the
21 State Appraisal Office who is going to evaluate the
22 site.

23 Acquisition Committee Chair Walser: The
24 State Property Office will have the liberty to use the
25 appraisals, yes.

1 Restoration Committee Chair Kumor: And what
2 happens if they don't.

3 Acquisition Committee Chair Walser: That
4 is a really good question.

5 Ms. Hartzler: So the -- this
6 does happen. The reviewer can agree with the value.
7 They can, if there are two appraisals, come up with a
8 reconciliation of those two and put forth a value. We
9 do see when it comes back as disagreeing with the value
10 and it -- and it comes back as a lower amount, that's
11 when, again, we go through that decision-making process
12 that I described, so that we adjust the contract, and,
13 again adjust it proportionally so that, you know, say a
14 project comes in as a lower valuation, that is spread
15 evenly among the Land and Water Fund requests as well
16 as the match. They both drop. That is the standard
17 practice there.

18 Restoration Committee Chair Kumor: So I'm
19 sorry; I probably would have to see that, instead of
20 listening to it. My mind just didn't understand it.
21 Are you saying to me that if we awarded 4.7 million
22 dollars for 80 acres because the proposal is all or
23 nothing, and if -- and that comes out to be, what,
24 about --

25 Chairman Wilson: It appraises at 26

1 million.

2 Restoration Committee Chair Kumor: No, no,
3 no, if the -- if it -- if we say 4.7, essentially, we
4 are paying --

5 Chairman Wilson: 20 percent.

6 Restoration Committee Chair Kumor: No, we're
7 not. We're paying -- if we say all or nothing for 80
8 acres at 4.7 million, how much is that an acre?

9 Chairman Wilson: Oh, I got you.

10 Restoration Committee Chair Kumor: Okay, did
11 you understand my question?

12 Mr. Mercer: Just based on -- and
13 somebody else may be able to get the actual numbers,
14 but I actually ran that the other day. I think it came
15 out to about \$135,000.00 per acre, but that could --

16 Acquisition Committee Chair Walser: I think
17 it's about \$60,000 or a little less like \$57, \$58,000.

18 Mr. Mercer: That might be correct. My
19 math is -- I ran several different numbers, so I think
20 that is -- that is correct; thank you.

21 Restoration Committee Chair Kumor: It becomes
22 what?

23 Acquisition Committee Chair Walser:
24 \$57,000.00, \$58,000.00 per acre.

25 Restoration Committee Chair Kumor: Is that

1 still more?

2 Acquisition Committee Chair Walser: That is
3 in -- that is in line with other projects that we're
4 recommending to fund. It is high. It's on the high
5 end, but we have recommended funding projects that are
6 \$40,000.00 to \$60,000.00 per acre, including one in
7 Wake County.

8 Restoration Committee Chair Kumor: So if --
9 if that were the case, and then we went through
10 Marissa's step process of evaluating, what would --
11 what would happen if the State came back and said,
12 that's only worth \$10,000 an acre?

13 Ms. Hartzler: So it will come
14 back, right, but it's -- it's still that total
15 appraised value, right? So it doesn't change the cost
16 per acre, I think. Well, you're looking at the --

17 Restoration Committee Chair Kumor: You're
18 confusing me.

19 Ms. Hartzler: -- the Land and
20 Water Fund contribution per acre. Is that what you
21 were looking for the calculation of?

22 Executive Director Summer: As the third
23 part of this conversation, the way that we generally
24 look at it, Renee is -- is total cost per acre, not our
25 share of it, just the total cost.

1 Restoration Committee Chair Kumor: Okay.

2 Executive Director Summer: The numbers in
3 the table or the \$273 is based on the total cost per
4 acre because that aligns with the appraisal, the
5 appraised amount; it's evaluating our interest. The
6 appraiser is evaluating how much is the acre worth and
7 that is -- that is the total of what it's worth. So I
8 see your point. If the appraisal said it was a
9 million-dollar project and the applicant said, we'll
10 pay \$500,000.00, you pay \$500,000.00, and the appraisal
11 comes -- the appraisal comes back, and it only
12 appraises for \$800,000.00, then by our policy, we would
13 be in for \$400,000.00, and they would be in \$400,000.00
14 because we would hold the match percentage constant
15 that -- that you approved --

16 Restoration Committee Chair Kumor: Okay.

17 Executive Director Summer: -- as a Board.

18 Restoration Committee Chair Kumor: So the
19 potential would be if it is not evaluated at the
20 appraised value that they -- that it's -- the one we're
21 talking about, but if the State comes back at another
22 number, and our portion at this point of the request is
23 -- would be 20 percent. Is that what you're saying?
24 So we would only pay 20 percent of whatever the --

25 Mr. Womack: If the appraisal --

1 if the applicant's appraisal and the State appraisal
2 are so far apart that there can't be any agreement,
3 then we don't fund it.

4 Executive Director Summer: Marissa, would
5 you briefly just talk about the process for awarding
6 those appraisals and then what our agent does when
7 there is a discrepancy, because I think they just
8 average it, but usually if I understand it, they look
9 at the two, and there's a faulty assumption of one or
10 the other, then they don't average in what they
11 consider to be bad faith. Let me -- let me not step on
12 that. Would you mind?

13 Stewardship Program Manager Hartzler: Sure,
14 start at the beginning of the appraisals?

15 Executive Director Summer: That would be
16 great.

17 Stewardship Program Manager Hartzler: Sure,
18 absolutely; so once a project is awarded and they're
19 under contract, as I said, you know, one or two
20 appraisals are required. The grant recipient is
21 responsible for getting that appraisal. They select
22 the appraiser. They, of course, are the intended user
23 of that appraisal. They add the State Property Office.
24 They add the Land and Water Fund and any other relevant
25 funders as intended uses, so we can use that for

1 decision-making. They submit the appraisals to staff,
2 and then we send them on to our State Property Office
3 reviewer to review those appraisals. As I mentioned,
4 you have instances where they agree with the valuation
5 based on, again, the assumptions -- they find the
6 assumptions to be reasonable. They find the comparable
7 used to be reasonable, and they move forward with that
8 value. In instances where they do not, our reviewer
9 will use his knowledge as an appraiser and his, you
10 know, own comps and put forth a new value, which may be
11 less than. We've seen a case where it's actually been
12 more than. That doesn't happen as often. It's usually
13 less than, but it's not; if you have two, it's not
14 necessarily just a simple average of the two to find a
15 value in the center. It's selecting one as having
16 better assumptions, better data used. It's saying, I
17 agree with neither of them, and here are the reasons
18 why. Here is the data I'm using to come up to this
19 value.

20 Mr. Williams: So if they don't
21 agree, if they don't come to an agreement, then they
22 don't get the money, right?

23 Stewardship Program Manager Hartzler: I'm
24 sorry. Who was coming, did you say?

25 Mr. Williams: If -- if -- if the

1 State and the whoever we're working with do not agree
2 on how the State came up with their appraisal, if they
3 don't agree, then we don't -- we don't give them the
4 funds, right?

5 Ms. Hartzler: Well, certainly, you
6 can have instances where the valuation is different
7 than what the landowner was anticipating and, you know,
8 the -- the deal is off at that point --

9 Mr. Williams: Yeah.

10 Ms. Hartzler: -- because they
11 don't agree with that value, but when we have that --
12 that approved value, we cannot participate if the
13 landowner is offered more than that, and that's, again,
14 using our funds and also match funds. The total funds
15 put into that purchase cannot exceed that valuation.

16 Mr. Williams: Okay, because, you
17 know, we said all or nothing, but how do you decide the
18 difference between \$60,000 an acre versus \$270,000 an
19 acre?

20 Acquisition Committee Chair Walser: So if I
21 might, I'd like to weigh in, and, Mr. Chairman, you
22 have held me down when I have not served our purposes
23 well. We spoke yesterday about being appointed as
24 Trustees if it was just the score. If it was just the
25 appraisal, we wouldn't be here. It would just be

1 bureaucratic. This -- the debate that we had yesterday
2 and this debate is very helpful, because if we fund
3 this, even at the 4.7 million cap, we're not funding
4 eight or ten projects at the bottom of the list. I
5 mean, that is just the reality here, looking across the
6 room at people whose projects will not get funded. But
7 at the same time, Wilmington has a project across from
8 the downtown storefronts, and I -- I make no bones
9 about where I am. I believe that we should give them
10 every best chance to try to pull this off and -- and
11 have it mean something conservation. There is concern
12 among our Committee members that us endorsing this
13 project, and I -- and this is why I'm talking. There
14 is concern that us endorsing this project, endorses the
15 valuation, and endorses a vision or whatever happens
16 that we don't have a clear vision of what the outcome
17 will be. A museum, sports fields, walking trails, we
18 haven't heard that, and there's some concern that us
19 endorsing this may or may not in our best interest.
20 I'm not -- I hope that I am representing the
21 conversation well, maybe, maybe not. So it is a policy
22 decision, and I really did not want us to get into the
23 nuances of the appraisal because I think, again, once
24 we go down that slippery slope, it's -- I think that is
25 a staff issue, and we need to avoid getting in it

1 any more than we have to, so.

2 Mr. Williams: Well, you know, I
3 wasn't -- like I said, I didn't hear the discussion
4 yesterday, but, you know, where I am right now, there's
5 still too big of a gray area for me to say I support
6 4.7.

7 Acquisition Committee Chair Walser: Well,
8 that's what we're to talk about.

9 Mr. Williams: Yeah.

10 Acquisition Committee Chair Walser: We can
11 condition it. You know, we can do whatever we want to
12 do. We can condition any motions or not approve it at
13 all.

14 Mr. Womack: Just, this is a
15 personal opinion. I'm not trying to convince anybody
16 of anything. I was in favor of the 4.7 if it could be
17 structured so that they would find some other
18 stakeholders with some skin in the game to bring them
19 to the number they want to be. My concern was the
20 entire project was falling on the shoulders of this
21 Committee, the Land and Water Trust Fund, and I didn't
22 think it was our obligation to carry the entire load.
23 I would like to give them the opportunity to get it
24 finalized, to bring in some other stakeholders and my
25 -- my specific comments for this -- the stakeholders

1 that would benefit the most from this are not even at
2 the table. We have letters, but we don't have any --
3 any skin in the game. That's New Hanover County,
4 Brunswick County, the City of Wilmington, the
5 Battleship Historical Society, whatever -- whatever
6 that group is connotated, Cape Fear. There have to be
7 three, four, five or six, if not more, organizations
8 that are entrusted with -- just on the Cape Fear River.
9 There's any number. I think, you had also mentioned as
10 a component, flooding, pavement. There's another
11 organization. I can't remember whether they are state
12 or federal, is there, and I don't think their time line
13 has allowed them to pursue this funding like I feel
14 like they need to, and I would like to see them, rather
15 than just slam the door, give them the opportunity to
16 bring in other partners.

17 Mr. Williams: And I think that's a
18 good approach. I guess the only concern is the time
19 and the fact that other -- these others from the bottom
20 of the list are not going to be able to use that 4.7
21 million --

22 Chairman Wilson: Just a --

23 Mr. Williams: -- because of that
24 time frame.

25 Chairman Wilson: Just a clarification

1 question, do we have any letters in support from
2 elected officials or local government in support of
3 this project?

4 Mr. Hearne: I am not aware of
5 any -- any letters, but they have given verbal support,
6 but nothing in writing.

7 Chairman Wilson: Okay, but the
8 deadline for the application, this application, was
9 submitted February 1st?

10 Mr. Hearne: Yes.

11 Chairman Wilson: All right, so seven
12 and a half months since this application has been
13 submitted, and we don't have a local letter of support
14 or a local dollar of support.

15 Mr. Williams: If I had to make a
16 decision right now, I would move not to fund it. I'd
17 say they should go get some more support and come back
18 next year.

19 Chairman Wilson: I'll second that.

20 Acquisition Committee Chair Walser: Did you
21 just make -- was that a motion?

22 Mr. Williams: Based on my
23 understanding of this whole thing, I just -- you know,
24 it just seems like there's just too many questions to
25 leave that many applications not funded because of

1 this. That just doesn't make sense to me.

2 Chairman Wilson: I don't want to
3 hijack your committee, so do you want to say we have a
4 motion and a second and then have a discussion on it
5 or --

6 Acquisition Committee Chair Walser: I don't
7 think that's appropriate. I think it's -- if there was
8 a motion made, I think we need to make that decision --

9 Mr. Williams: I wasn't -- I wasn't
10 making it a motion, but I can make a motion. That's up
11 to the Chairman.

12 Chairman Wilson: We -- we defer; our
13 Committee deferred.

14 Mr. Williams: I would prefer a
15 Committee person to make the motion, but I mean it's
16 fifteen minutes to 5:00.

17 Chairman Wilson: I made -- I made the
18 motion yesterday.

19 Mr. Williams: Yeah.

20 Chairman Wilson: Would you prefer
21 that I make the motion? Okay, I --

22 Ms. Cawood: I'm happy to make
23 the motion if you want me to.

24 Chairman Wilson: Okay.

25 (Announcement plays over the loudspeaker).

1 Chairman Wilson: Hold on, Greer. We
2 were just invited to leave the building, Greer, but
3 we're not going to leave.

4 Ms. Cawood: Please don't.

5 Chairman Wilson: Okay, Greer, that
6 would be -- that would be wonderful. So Greer has made
7 a motion. Would you like -- Greer, will you articulate
8 your motion, please?

9 Ms. Cawood: I think it's better
10 for you to do it, if you don't mind, John, but a great
11 discussion.

12 Chairman Wilson: Okay, wait, so do
13 you want me to make the motion, or do you want me to
14 articulate the motion that you're making?

15 Ms. Cawood: How about you
16 articulate the motion that I'm making just in case I
17 flub it.

18 Chairman Wilson: Okay, are you making
19 a motion that we not fund the Eagles Island project?

20 Ms. Cawood: Yes.

21 Chairman Wilson: Okay, that is the
22 motion.

23 Restoration Committee Chair Kumor: Second.

24 Chairman Wilson: Renee seconds; any
25 discussion?

1 Acquisition Committee Chair Walser: Yes, I
2 feel very strongly that this is a bad decision. I
3 think we have a really good project that can be
4 something special for Wilmington sitting in front of
5 us, and I think if we wait a year and a half, we might
6 not have the opportunity to conserve this piece of
7 land. I know that there is a cost, an opportunity
8 cost, but we have funded other projects as recently as
9 last December, that still do not have a contract on
10 them, and it bothers me that that is the case. We have
11 a ripe, ready-to-go project now, and I would be very
12 supportive of conditioning it on support from local
13 government and some percentage of face value or any --
14 any other number of limitations, make it a challenge
15 grant. I think that we will regret not participating
16 in this project.

17 Mr. Williams: How much time are we
18 giving them?

19 Acquisition Committee Chair Walser: Twelve
20 months, eighteen months.

21 Mr. Williams: All right, so in the
22 meantime, what happens to the 4.7? It's still hanging
23 out there?

24 Acquisition Committee Chair Walser: Yes, but
25 we have 20-some million dollars in projects hanging out

1 there that are still not under contract, and I
2 shouldn't say that publicly, but yes. This -- these
3 projects take two and three years developing. I'm
4 looking at some of my friends. They're complicated.
5 They take a long time. There are a lot of moving
6 pieces. There's nothing wrong with it, but I -- I
7 think we're going to regret it, and I would be
8 supportive of whatever our Board decides, because I
9 think we all have a good basis for our opinions right
10 now, but I feel strongly about mine.

11 Mr. Williams: Why would they regret it
12 if the person is coming back next year? I mean, you
13 assume that the money is going to be available, like we
14 have this year --

15 Acquisition Committee Chair Walser: I --

16 Mr. Williams: If the money is
17 available next year, then you do all that you want them
18 to do, so they come back.

19 Acquisition Committee Chair Walser: So they
20 have a permit, and -- and I personally think --

21 Mr. Williams: It's a timing issue.

22 Acquisition Committee Chair Walser: I
23 personally think that the viability of this project for
24 development is very set. I personally, I don't think
25 it's going to happen. As the permits indicate, it

1 floods. It floods on a regular basis.

2 Chairman Wilson: So the entire
3 project, and their appraisal states that the entire
4 project property is within the 100-year flood plain.

5 Acquisition Committee Chair Walser: And
6 they intend to build it up with nine feet of soil to
7 have an infrastructure, is that right?

8 Chairman Wilson: Well, the appraisal,
9 the \$26,000,000.00 appraisal is based on not just the
10 buildable uplands appraising at \$550,000.00 per acre --
11 sorry, \$510,000.00 an acre. It also does the other 60
12 acres of wetlands at \$459,000.00 per acre based on the
13 fact that they could fill every one of those acres of
14 wetlands and pay mitigation costs on it. So this
15 \$26,000,000.00 appraisal is based on max development
16 within a 100-year flood plain, and that is yet again
17 another reason why I'm so uncomfortable with this
18 project.

19 Mr. Williams: Yeah, and that
20 didn't help my opinions.

21 Acquisition Committee Chair Walser: No, I
22 think that -- I think that's a very valid point. We
23 had -- we have a grant that was submitted in a timely
24 fashion. The contract with an option -- rather with an
25 option to purchase that expires at the end of this

1 year. The applicant has said that they might have more
2 time. It is a timely project. If the development
3 doesn't happen, as I think it may not, who knows what
4 may happen, but we have a contract right now for
5 conservation, and the project was presented
6 appropriately. And I -- I look at this project the way
7 I look at all of our projects. I try not to get in the
8 weeds. I try not to mess around with the appraisal,
9 the survey, the legal issues. I try to look at them
10 objectively. I think it's a good project, and at 4.7
11 million dollars for 82 acres, I think it would be a
12 lovely park for Wilmington.

13 Ms. Grissom: Let me just add, I think,
14 I too would love to see that land conserved as well as
15 the storms, the battleship, you know, it -- it's an
16 important place for the City and for the State. One of
17 the issues that I have, and the issue was put in front
18 of me -- what was put in front of me was an appraisal
19 with attachments. There are many reserved rights. And
20 while we have a very well developed development plan,
21 we don't have very specific conservation plan for this
22 specific 82 acres. There is a bigger vision plan for
23 Eagles Island, in general a park, which I think is
24 great, but where the rubber kind of hits the road for
25 me is what exactly is going to happen on the land that

1 we would hold the easement on, and at this point, are
2 asked to fund, because it's -- we haven't even touched
3 on this, but my estimate it's at least 50 to 60
4 percent, and one attachment that was sent as part of
5 this greater Eagles Island vision showed a couple of
6 things like, another -- another, you know, image showed
7 a water park and educational facility, I believe.
8 There were reserve rights for potentially a museum,
9 potentially designated for that, and I -- I don't
10 really know what's going to be possible or necessary to
11 do some kind of development like that, but also to the
12 surrounding issue. I don't know that we've ever held
13 this on land that is -- so it's -- it's just
14 complicated, and that's where, you know, I -- I would
15 just like to see a more fully developed ask, with fewer
16 reserved rights. So I feel in general -- and with
17 partners and more buy in from the community. So it's
18 -- we're not really set up to negotiate here. The
19 specifics of every single project that comes we put a
20 ton of time and energy into getting in the details.
21 For various reasons, it's exceptional in every way good
22 and bad. It's an exceptional project, but I just -- I
23 would like to see --

24 Mr. Williams: Of course --

25 Ms. Grissom: I'm a yes.

1 Mr. Williams: Of course, because
2 you valued the property at that cost, \$270,000.00 an
3 acre, and then you've got to come and put 10 feet of
4 dirt on it. I don't get that. And if it was that
5 important to the City, why haven't they jumped in and
6 participated?

7 Acquisition Committee Chair Walser: And
8 those are really good questions. I've always trusted
9 that our appraisal process would work itself out, but
10 those questions came up yesterday, and they're
11 legitimate questions. If you have to put dirt on it,
12 how can it be worth that much money?

13 Chairman Wilson: More discussion, we
14 have a motion from Greer, and the second is from Renee,
15 right?

16 Restoration Committee Chair Kumor: Correct.

17 Chairman Wilson: But we're not --
18 we're not shutting down. We are not --

19 Vice-Chair Browning: I'll just make a
20 comment. This is Ann. I did vote in favor yesterday
21 of proceeding along the lines that Jason and David
22 described with the sort of the parameters that we
23 weren't funding all of it, that, you know, the scope
24 would not be reduced. I still -- I struggled, as we
25 all have with this project. I have a little bit of

1 heartburn that by giving it a thumbs up that we're
2 endorsing this valuation, which I do think is high, and
3 I have questions about the appraisal. I -- I will say
4 if we -- if we come to the vote, and if I still -- if I
5 still vote, I guess, in favor of the project, it would
6 be with the expectation that we have some really sort
7 of unusual conditions that we would foresee. I think
8 the partnerships is a big hole in this application, and
9 it matters kind of who those partners and if there's
10 local government buy-in. So that's a conversation we
11 may or may not have based on how this vote goes, but
12 I'm just saying that my -- my support of the project.
13 I think it's a fantastic project. My heart is in it,
14 but I think we've got a lot of just, if we -- if we
15 proceed with this project, we've got a lot of more
16 discussion about potential conditions.

17 Chairman Wilson: Thanks, Ann, so,
18 Renee and Darrel and everybody else, please forgive me;
19 I'm going to summarize what I said yesterday, but I
20 kind of think of this like you go house hunting and you
21 look at a bunch of houses, maybe even 88 houses, and
22 you come up with a rating system, but it doesn't take
23 price into account. Keep in mind, our rating system
24 does not take price tag into account, either per acre
25 or total, and we've got this rating system. And you

1 might have a great rating system for houses that you
2 look at just to keep track, and at the end of all of
3 those weeks or months of house hunting, you may look
4 back and say, wow, look at that number two highest
5 scoring house. I love that house, but -- but my
6 checkbook just can't do it, either because I think it's
7 too much money; it may be worth every penny, or I may
8 think, I really question that -- that price tag. I
9 don't think it's worth that much or both. That's where
10 I am on this project. I would also love to see this
11 conserved in its natural state instead of developed
12 with a hotel and filled in, every bit of wetland filled
13 in, and -- but, you know, it's two and a half times
14 more expensive than our second most expensive per acre
15 project this year, three -- five and a half times our
16 third highest. It's twenty times more expensive than
17 the roughly \$13,000.00 average per acre cost that we're
18 -- that we've been looking at this year; 33 times more
19 expensive than last year's average per acre, and I
20 think one of the biggest responsibilities we have as
21 Trustees is to evaluate the value to the taxpayer of
22 North Carolina, and I cannot get even close, and I have
23 no choice but to evaluate this based on that
24 \$273,000.00 per acre price that's been presented to us
25 and that 26 million dollar appraisal. The next

1 appraisal could be the exact same number or something
2 close to it if the assumptions are the same, which is
3 they're going to fill every inch of wetlands with dirt,
4 and that scares me. I don't want to be part of that,
5 and I also fear, as Jason said, he heard the concern.
6 I've got this concern, but when the North Carolina Land
7 and Water Fund is making a grant, whether it's 4.7
8 million or choose your number, we're sending a strong
9 message with our name encouraging others to support
10 this project and endorse this project, and that means
11 we believe in what's been presented to us. I don't --
12 I'm not comfortable with anything close to this
13 valuation, so I can't get there. I don't vote to put
14 our stamp of approval on that, you know, so there's
15 price tag. There's valuation. There's a lack of local
16 support, and there -- I have -- I share those concerns
17 that Amy voiced regarding the conservation vision. We
18 walked this property together. We've talked about it,
19 and I share those concerns. What is this going to be?
20 There's so many questions about this project, and the
21 price tag is so high that I think that I think that the
22 potential downside of us voting to fund this is much
23 greater than the potential downside of us voting not to
24 fund this. I hate to phrase that as a negative versus
25 a negative. I should somehow rephrase that, but that's

1 where I am. That's where I was yesterday, and I'm --
2 and I -- as I promised I would, I stared at the ceiling
3 most of the night last night and this morning, and I am
4 even more of where I was yesterday, but I'd love to see
5 it conserved.

6 Acquisition Committee Chair Walser: Well, I
7 am going to get down -- I -- I think I know where this
8 vote is going, and this is my last desperate hail Mary
9 Appalachian State pass. We have funded projects today.
10 We've already made a motion to approve the North
11 Carolina Botanical Gardens - Stillhouse Bottom, at
12 \$40,000.00 an acre; Kirk Tract - Marks Creek
13 Headwaters, \$42,000.00 an acre; just going down,
14 Freeman Park at \$22,000.00 an acre; Overlook - Snake
15 Mountain at \$14,000.00 an acre; Dixon Tract at
16 \$20,000.00 an acre. We're talking about \$57,000.00 an
17 acre, at 4.7. Haleys Branch - Umstead State Park,
18 \$100,525.00 an acre, sorry, Bill; Kitty Hawk Woods,
19 \$24,000.00; Little River Wetlands - Cedar Mountain,
20 what is that -- no, that's at \$10,000,00; so Odum
21 Tract, Queens Creek, \$28,000.00 an acre; \$45,000 an
22 acre on the Hunter and Lore Tracts -- Triangle Lands
23 Conservancy. I just think this is dangerous for us to
24 deny this project because it makes no sense. I think
25 that is territory that we need to shy away from. That

1 is how I feel. I feel like -- I feel like your house
2 now, like all good Millennials and Generation Z, our
3 parents are helping us out. If we fund it at 4.7 and
4 make it conditional that New Hanover and Brunswick
5 County and Wilmington contribute money, I have no
6 problem paying \$57,000.00 an acre for preserving that
7 tract. I don't think it's as far out of line as
8 \$272,000.00.

9 Mr. Williams: How did it go from
10 \$272,000.00 to 57,000.00?

11 Acquisition Committee Chair Walser: So; so
12 if you put 4.7 million in it, that's what we would be
13 contributing. It is fuzzy math, and it is dishonest.
14 I'm not going to lie. It is -- it is dishonest. It is
15 dishonest, but if we're going to play those games, I
16 want to -- I want to -- I want to call it out for what
17 it is. I just want to say that we have spent seven
18 figure -- we're going to fund three projects at 4.7
19 million or two -- two projects at 4.7 million, and I
20 don't want to get into the other two that we're going
21 to fund because they're great projects, too, and I
22 think this is a good project. I don't think it's as
23 preposterous as it does sound based on the appraised
24 value. I think there are ways to make it work, and we
25 can put limitations and parameters around it that we

1 think will help, but, you know, I've said my piece, and
2 I'm not going to say anything else, or we'll be here
3 until 7:30 tonight.

4 Mr. Williams: Well, I couldn't say
5 it -- I couldn't say it any better than John, but I
6 would say that it almost seems like if you get the
7 State to put up \$12,000,000.00, and you can afford to
8 ten feet of soil on top of it, then really -- I mean,
9 that's expensive.

10 Acquisition Committee Chair Walser: It is
11 expensive.

12 Chairman Wilson: Well, Jason, I -- I hear
13 you, but let me tell you what's not fuzzy math, and
14 that is the sales history information that was
15 submitted with this appraisal that shows the 40 acres
16 of land owned by Wilmington Unique Places, LLC were
17 purchased three and a half years ago for a total of
18 \$110,000.00. That averages \$2,700.00 per acre. We're
19 looking at a project at \$273,000.00 an acre. That's
20 over 100 times the purchase price of those wetlands
21 just three and a half years ago. That is just a
22 statement of fact that was included in the appraisal,
23 and if I get a \$273,000.00 per acre project that comes
24 with an appraisal as a link from -- in the application,
25 I'm going to click that every single time, and I'm

1 going to read it from beginning to end, including the
2 part where the appraiser, in one of his comparables,
3 talks about pending land sale number one, remarks. The
4 buyer placed no value on the 125 acres of wetland and
5 placed all the value on the ten acres along the Cape
6 Fear River. The sellers placed some value on the
7 wetlands portion. I have allocated \$1,200.00 per acre
8 value on the wetland portion, and placed the remainder
9 of the value on the ten acres along the Cape Fear
10 River. \$1,200 an acre, and this project is being
11 presented to us at \$273,000.00 per acre because this
12 appraiser, I guess, it was the same person, used the
13 assumption that those wetlands that were purchased for
14 an average of \$2,700.00 per acre just three and a half
15 years ago could be filled and mitigation paid on them
16 and therefore would then appraise at \$459,000.00 per
17 acre. I'm terrified that something remotely close to
18 that could happen on the second appraisal because it
19 happened on this. I'm not an appraiser, but I'm out.
20 I'm a -- I can't do that on behalf of the -- what I
21 perceive the responsibility entrusted to me as a
22 member, as a Trustee, and representing the taxpayers of
23 North Carolina. I can't get anywhere close to that.

24 Acquisition Committee Chair Walser: I
25 validate that.

1 Mr. Williams: Do we need to make a
2 motion to call a vote?

3 Restoration Committee Chair Kumor: I want to
4 call the question. Do we have --

5 Chairman Wilson: Okay, we do we have
6 a motion from Greer not to fund this project. I've
7 lost track of the number.

8 Acquisition Committee Chair Walser: 127.

9 Mr. Womack: 2022-127.

10 Chairman Wilson: 2022-127, Eagles
11 Island, Unique Places to Save - Eagles Island. Greer
12 makes a motion not to fund. Renee has a second. Is
13 there any more discussion? Okay, all in favor, please
14 say aye. Should we call roll?

15 Court Reporter: Yes.

16 Mr. Womack: Mr. Chairman, just
17 to be clear, a vote in favor of the motion denies. You
18 are doing something negative with positive vote, and I
19 want to be sure that that's clear.

20 Chairman Wilson: Yes, and prepare
21 yourself because I'm going to propose -- I'm going to
22 propose more negativity in just a minute because I was
23 told that that's a good thing. You'll see. You'll see
24 what I mean.

25 Mr. Womack: I just wanted to be

1 clear.

2 Chairman Wilson: Yes, thank you for
3 that; okay, Ann Browning, how do you vote?

4 Vice-Chair Browning: Struggling, but with
5 my conditions, I will vote nay.

6 Chairman Wilson: Okay, Greer, how do
7 you vote?

8 Ms. Cawood: Yes.

9 Chairman Wilson: Okay, Amy?

10 Ms. Grissom: Yay.

11 Chairman Wilson: Renee?

12 Restoration Committee Chair Kumor: Yes.

13 Chairman Wilson: Jason?

14 Acquisition Committee Chair Walser: No.

15 Chairman Wilson: Darrel?

16 Mr. Williams: Yes.

17 Chairman Wilson: And John is a yes,
18 so that -- David; I'm sorry.

19 Mr. Womack: That's all right.
20 Ever since the first grade, I've been left out, but I
21 vote no.

22 Chairman Wilson: Okay, so that's
23 Greer, yes; Amy, yes; Renee, yes; Darrel, yes; John,
24 yes; I count five. Ann, you were a no?

25 Vice-Chair Browning: Right.

1 Chairman Wilson: Jason was a no.

2 David was a no. I've got three noes. So the motion
3 carries not to fund the Eagles Island Project.

4 Acquisition Committee Chair Walser: Correct.

5 Chairman Wilson: Okay, thank you.

6 Mr. Williams: That seemed like the
7 old county commissioner meetings.

8 Chairman Wilson: Okay, I promised
9 more negative negativity. There were six applications
10 that were not presented or reviewed by the Acquisition
11 Committee yesterday for which clarification is needed
12 from the Board of Trustees. The options for the Board
13 are to officially vote to not fund these projects or to
14 leave them as no action taken. I would invite staff,
15 if you're willing to share with us the difference
16 between those two from your perspectives.

17 Executive Director Summer: It really just
18 directs back what to tell each of the remaining six
19 applicants. Are they still on the hunt? Are you guys
20 going to come back in March or May and allocate funds
21 to them or should we, as maybe we intend to cut them
22 lose and say thank you, try again next year, seek other
23 funds, but as it sits, you didn't say yes, but you
24 didn't say no. So we just need an intention from the
25 Committee, from the Board. And in years past, recent

1 years, we have taken an affirmative do not fund action
2 when the Board has exhausted what they felt they wanted
3 to put on it, subject to available funds.

4 Chairman Wilson: An affirmative,
5 negative.

6 Executive Director Summer: Yeah, I'm
7 trying to put a positive spin on it.

8 Chairman Wilson: Okay, and are those
9 the six?

10 Mr. Williams: Yes.

11 Chairman Wilson: Okay, any discussion
12 or questions for staff?

13 Mr. Williams: In other words,
14 since we moved from funding the 4.7 million, it would
15 probably be ten more million?

16 Mr. Hearne: No, we already
17 covered the extra amount for the provisional in the --
18 that's why we use the funds subject to availability.
19 There's enough to cover that. These are the ones
20 beyond where we are at.

21 Mr. Williams: Okay.

22 Chairman Wilson: Okay, so there they
23 are in front of us. Can we see six of them?

24 Mr. Hearne: Yeah, so the screen
25 is not cooperating, but it's one, two, three, four --

1 yeah, I'm sorry --

2 Chairman Wilson: Damon, that's okay;
3 would you mind just -- Damon, would you mind just
4 reading out the project numbers?

5 Mr. Hearne: Sure; it's 2022-077,
6 2022-013; 2022-090; 2022-089; 2022-014; 2022-018, and
7 that takes us to line six.

8 Chairman Wilson: That last one was
9 118.

10 Mr. Hearne: 118, excuse me,
11 apologies, and I'm trying to get the screen to
12 cooperate, but there are six rows there that had no
13 action taken yesterday that we are looking to be fund.

14 Chairman Wilson: And, Damon, while
15 you're at it, will you just tell us what the score
16 range was of those six projects that you called out?

17 Mr. Hearne: It looks like to me
18 that the highest of those four was a 58 and the lowest
19 was a 41.

20 Chairman Wilson: Thank you.

21 Ms. Cawood: Just a point of
22 clarification, the 41 was withdrawn yesterday and was
23 made during our meeting to receive funding.

24 Mr. Hearne: I don't think that's
25 on this list anymore.

1 Ms. Hartzler: That, yes, --

2 Ms. Grissom: Okay.

3 Ms. Hartzler: -- that was marked
4 as withdrawn.

5 Ms. Grissom: Sorry, I'm confusing
6 that with another one; apologies.

7 Stewardship Program Manager Hartzler: That's
8 okay.

9 Ms. Grissom: Apologies, but there
10 was pulled yesterday, which is an excellent thing.

11 Mr. Hearne: Yes.

12 Chairman Wilson: That got funded?

13 Ms. Grissom: Because it got
14 funded, yeah.

15 Chairman Wilson: Any more discussion,
16 Trustees, questions about this; anybody want to make a
17 motion to do what Damon just described or to vote to
18 not fund?

19 Mr. Hearne: Right, and we could
20 move to no award for the final status.

21 Mr. Womack: Okay, I will have to
22 confess even though what were to my knowledge and
23 having been given good advice from you all, I would
24 defer to the recommendation from staff. Is it -- I
25 don't know if that's appropriate or not, but I feel

1 like I'm voting on something of which I have no
2 knowledge.

3 Acquisition Committee Chair Walser: I would
4 make a motion that we not fund the projects presented,
5 the six projects in front of us.

6 Mr. Williams: I second the motion.

7 Chairman Wilson: Okay, a motion and a
8 second to label these as not fund, but a good question
9 to staff to please help provide more information.

10 Executive Director Summer: And I think
11 part of the reason your memory will be fuzzy is because
12 we stopped before we got to these six, so we never
13 discussed them, looked at them, reviewed them and
14 that's precisely why the staff was suggesting --

15 Acquisition Committee Chair Walser: We
16 reviewed through the score of 60. We did not feel
17 comfortable going below 60.

18 Chairman Wilson: Okay, we've got a
19 motion and a second to label these as what officially
20 would be --

21 Mr. Hearne: No award.

22 Chairman Wilson: No award; if there's
23 no more discussion, I'll call the question. All in
24 favor, please say aye.

25 Trustees: Aye.

1 Chairman Wilson: Anyone opposed;
2 okay, motion carries. We also need to and -- and,
3 Jason, and tell me if you -- if you want to do any of
4 this. This is just stuff that we get done in the
5 Acquisition Committee. The Board also needs to
6 allocate \$1,173,799.00 in directed military funds to a
7 specific project. All projects that receive military
8 points this year will be funded, and the highest-ranked
9 funded military project was 2022-058, North Carolina
10 Coastal Land Trust - Weyerhaeuser - Newport River, at
11 \$1,650,639.00. So we need to allocate that 1.1
12 million, and if we allocate it to this project, then we
13 have satisfied that need, and as stated we are doing
14 much more than that in terms of military project, but
15 this satisfied something that we're required to do for
16 -- for a good reason.

17 Ms. Hartzler: Yes, and just to --
18 I'm sorry; if I could just offer clarification. That
19 doesn't -- it's not an additional one million. It's
20 just tagging that one million specifically to this
21 project so then we can track that should that project
22 come in under budget, then those funds can be set aside
23 for another military project in the future. It's
24 really for tracking purposes.

25 Mr. Womack: I would like to make

1 a motion to designate project 2022-058 as a military
2 project.

3 Ms. Grisson: Second.

4 Chairman Wilson: Okay, there's a
5 motion from David, second from Amy; any discussion?
6 No, okay, please vote. All in favor, say aye.

7 Trustees: Aye.

8 Chairman Wilson: Anyone opposed;
9 okay, Acquisition Committee business, do we need to do
10 anything more?

11 Ms. Cawood: Mr. Chairman, I
12 would --

13 Chairman Wilson: Yes.

14 Ms. Cawood: I'm sorry. It's
15 Greer.

16 Chairman Wilson: Go ahead, Greer.

17 Ms. Cawood: If I could just make
18 one point, something that for those listed as not
19 funded and the motion with Eagle Island, our staff is
20 wonderful working with applicants to help strengthen
21 their applications, and I think that it has been
22 mentioned here, especially with large pristine projects
23 having local buy-in and having their support is
24 extremely important to us. So just for those that got
25 listed not funded, you know, we'd love to see you again

1 in that sense, so I just wanted to leave with that.

2 Chairman Wilson: Thank you, Greer;
3 well said. Jason, anything more before we move on
4 from --

5 Acquisition Committee Chair Walser: Let's
6 move on.

7 Chairman Wilson: Move on; okay, we
8 will now move to item three on our business agenda,
9 which is consideration of Restoration, Innovative
10 Stormwater, and Planning Committee recommendations, and
11 our Chair Renee Kumor will lead those.

12 Mr. Williams: This should be easy.

13 Restoration Committee Chair Kumor: Jason,
14 let's go out and play football.

15 Acquisition Committee Chair Walser: I've
16 got it in the car.

17 Restoration Committee Chair Kumor: As you
18 know, that our Committee deals with grants coming under
19 Restoration, Innovative Stormwater, and Planning, and
20 we have recommendations in those three areas. We were
21 allocated \$13,953,806.00 according to what Jason -- and
22 we reviewed 58 applications; nine -- nine of those were
23 planning; seven were innovative stormwater; and 42 of
24 the 47 restoration applications. The Restoration
25 Committee makes the motion to fund the following

1 projects identified by their application numbers as
2 stated below in four parts; and the following on the
3 planning projects, eight projects with scores greater
4 than or equal to 60 points will be funded, for a total
5 of \$823,200.00 or 6 percent of available funding. That
6 was a motion made by Darrel and seconded by John
7 Wilson. And the projects, if I understand the -- for
8 taking our notes will have that and as shown on -- as
9 shown on the screen. And for information, we funded
10 all but one, and that had a score that fell a bit below
11 the rest of the planning projects here. Do you want me
12 to take them separately, or do you --

13 Chairman Wilson: I -- I think this --
14 you wrote, or this was written in a way that I think we
15 can do it all at once.

16 Restoration Committee Chair Kumor: Okay.

17 Chairman Wilson: Is that all right;
18 in four parts?

19 Restoration Committee Chair Kumor: Okay, and
20 the following Innovative stormwater projects, we
21 selected four projects with scores greater than or
22 equal to 63 be funded for a total of \$708,892.00 in
23 awards or 5 percent of the available funding. That
24 motion was made by Ann and seconded by Darrel, and you
25 can see the four projects, as listed on the screen.

1 The restoration -- under the discussion of restoration
2 projects, the Committee made a motion to cap costs at
3 \$750,000.00. That was a motion made by Darrel and
4 seconded by Ann. So with the understanding that our
5 cap was \$750,000.00, we are recommending that 37
6 restoration projects with scores greater than or equal
7 to 61, and a project 2022-432, the New River
8 Conservancy - South Fork New River, be funded up to the
9 amounts as set forth below, not to exceed \$750,000.00
10 for a total of \$11,875,783.00 in awards or 85 percent
11 of available funding. This motion was made by John
12 Wilson and seconded by Darrel, and those awards are
13 present on the screen, that we then selected the
14 following four projects with scores of 60 to be
15 provisionally funded under the wastewater -- excuse me,
16 restoration grant column, to be funded in order listed
17 below from the revenue that would be coming -- will be
18 made available on this program prior to July 1, 2023.
19 This was a motion made by John Wilson and seconded by
20 Darrel. As you can see, you can see how we've ordered
21 these provisional projects to be funded in the order
22 that you see up on the board. The result of these
23 actions is that the Board declined to fund the
24 following projects, and again, you find that list up on
25 the board; one project in planning, three projects in

1 Innovative Stormwater, and six projects in Restoration.
2 All motions were approved unanimously. Mr. Chairman,
3 that's the report from the Restoration Committee. I'd
4 be happy to answer any questions. That's how you run
5 it.

6 Acquisition Committee Chair Walser: You
7 earned that. You're a better chair. She's good.

8 Chairman Wilson: Could we please look
9 back at that document that we just saw and to the very
10 top? The Restoration Committee makes the motion to
11 fund the following projects as stated below in four
12 parts. So were items one, two, three, and four funding
13 part; --

14 Restoration Committee Chair Kumor: Yes

15 Chairman Wilson: -- whereas, items
16 five and six were not --

17 Mr. Bevington: I think we need to
18 say five parts. I apologize.

19 Restoration Committee Chair Kumor: Five
20 parts.

21 Mr. Bevington: That's my fault.

22 Restoration Committee Chair Kumor: The fifth
23 one is --

24 Chairman Wilson: Well, what about the
25 sixth part?

1 Mr. Bevington: The sixth part is an
2 understanding we did not make formally as a motion, but
3 our intent will -- our Executive Director did check
4 under intent, so staff wrote number six, but I do think
5 your number five may be needed in that first sentence,
6 too, because that's the provisional ones. So I'm sorry
7 for any ambiguity there, and if you want to take the
8 six and make it a motion as a Board and carry it, you
9 can, but the staff's understanding is that we would
10 inform, as you did on the Acquisition side, as not no
11 action but actual action to not fund.

12 Chairman Wilson: Maybe for today,
13 just because we did it with Acquisition, we should do
14 number six as a formal Board motion, but so should
15 we --

16 Restoration Committee Chair Kumor: Do you
17 want me to join and say that the first four -- the
18 first five motions are for the purpose of funding the
19 following projects as we have listed here.

20 Chairman Wilson: Is that okay with
21 everybody? Is that clear?

22 Acquisition Committee Chair Walser: It works
23 for me.

24 Chairman Wilson: Okay, so I'm digging
25 back into my Robert's Rules brain. I think maybe --

1 this is coming from Committee, but it came to -- from
2 Committee like this. I think we need to make a motion.

3 Acquisition Committee Chair Walser: I'll
4 make a motion to amend the recommendations from the
5 Committee --

6 Chairman Wilson: Okay.

7 Acquisition Committee Chair Walser: -- to
8 reflect what is on the screen now, which were five
9 recommendations.

10 Mr. Hearne: It's not on the
11 screen yet. You've got five.

12 Acquisition Committee Chair Walser: I make a
13 motion to make the five --

14 Chairman Wilson: That's what he's
15 doing.

16 Acquisition Committee Chair Walser: --
17 recommendations, including the provisional list from
18 the Restoration, Stormwater, and Planning Committee --

19 Chairman Wilson: Okay.

20 Acquisition Committee Chair Walser: -- or
21 whatever.

22 Chairman Wilson: Yeah, all right,
23 okay, that's from Jason. Is there a second?

24 Restoration Committee Chair Kumor: Second.

25 Chairman Wilson: Second from Renee; any

1 discussion; all in favor of what's up on the screen,
2 but changing the number four to five, how do you vote?

3 Trustees: Aye.

4 Chairman Wilson: Anyone opposed?

5 Restoration Committee Chair Kumor: And do we
6 want to consider or this is just understood?

7 Chairman Wilson: I think we should
8 just do it because it makes it tidy because we did it
9 with Acquisition.

10 Restoration Committee Chair Kumor: Okay.

11 Chairman Wilson: So can we scroll
12 to --

13 Restoration Committee Chair Kumor: Yeah.

14 Chairman Wilson: -- the end, and,
15 Renee, do you want to just read?

16 Restoration Committee Chair Kumor: Mr.
17 Chairman, we as a result of these actions the Board has
18 declined to fund the following projects as listed on
19 the screen; one in planning, three in innovative
20 stormwater, and six in restoration projects.

21 Chairman Wilson: All right, let's
22 consider that a motion from Renee; how about a second
23 to that?

24 Acquisition Committee Chair Walser: I
25 second.

1 Chairman Wilson: From Jason; any
2 discussion; all right, let's vote. How do you vote,
3 please? All in favor, please say aye.

4 Trustees: Aye.

5 Chairman Wilson: Okay, anyone
6 opposed; I'm aye, also. Is anyone opposed? Okay,
7 Renee, do you want to show off more? Do you have
8 anything else? Is that -- is that it?

9 Restoration Committee Chair Kumor: That's
10 it.

11 Chairman Wilson: Wow, okay, thank
12 you; moving on -- and thank you, Jason.

13 Acquisition Committee Chair Walser: Thank
14 you.

15 Chairman Wilson: Moving on to item 4
16 on our business agenda is consideration of Endowment
17 Deposit Strategy; over to you Will Summer.

18 Executive Director Summer: Thank you so
19 much; Damon, could you pull up agenda item 4 up on the
20 -- thank you; so this item is in front of you at my
21 request. A few weeks ago as Justin and Marissa were
22 finalizing the Endowment Deposit, it occurred to me
23 that the amount we were about to transfer was unusually
24 large. In fact, it's about a third of the fund
25 balance. So in most years, we deposit between 100 and

1 \$200,000.00 into our endowment fund; as you recall, the
2 extraordinary investment before, made in May, of 2.5
3 million into our endowment fund for the purposes of a
4 bunch of older projects that we had not properly
5 endowed in the early days. As I thought about the
6 volatility and uncertainty of the market, I was a
7 little concerned that making that all at once would
8 leave us potentially vulnerable to hitting at a poor
9 market time. You know, if we hit it on the way down
10 and it just keeps dropping and we put all of our eggs
11 in one basket, so what I'm proposing is that we do, you
12 know, a dollar-cost averaging strategy, transfer the
13 funds over time to kind of mitigate our risk of market
14 timing. So ideally this would be 12 monthly payments,
15 but I would be requesting flexibility to accommodate
16 practical challenges that we have had in the past
17 getting our finance office and the Treasurer's office
18 on the same page. You know, just doing that 12 times a
19 year might be -- it might be difficult given the
20 trouble we've had getting that done once a year in the
21 past. So I'm requesting the flexibility to do that if
22 not monthly, quarterly. So for historical reference,
23 when our Board first invested in the equity fund in
24 2012, we have been in short-term for most of the
25 endowment history with bond funds. The Board made the

1 decision to move into the equity fund. They deposited
2 two million, and did so over 12 equal payments, so a
3 similar amount, a similar strategy endorsed by the
4 Board and the Trustees at that time, and according to
5 an unnamed friend and a former Trustee who is very
6 knowledgeable about these things, this is a sound
7 strategy, and no one would fault us for being
8 conservative with a deposit of that size given what the
9 market looks like, though they cannot and have not
10 officially offered investment advice; so to be clear,
11 I'm not trying to watch the Dow and pick up the phone
12 and yell buy when I think the time is right. This is
13 just a strategy of reducing our risk by putting it, you
14 know, on a schedule, just not putting all of our eggs
15 in one basket. So what we would do if the request is
16 approved, rather than put it all in the -- in the fund
17 right now at the aforementioned, the agreed upon
18 deposit, which is 70 percent of the equities, 22 in a
19 short-term investment, and 8 percent in a bond, we
20 would put it all in the STIF right now, the short-term
21 investment fund, the savings account, the safe low-
22 interest account, and then move the moneys over into
23 the equity index fund and the bond index fund over
24 equal payments over the next year, such that we've got
25 a balance right now with our deposit, but by the end of

1 the deposit period, we get back to the targeted 70, 22,
2 8 allocation. So I think given a long horizon, you
3 might argue that 20 years from now, this will be a blip
4 no matter when we do it, but it just, now following the
5 Board's conservatively when we initially did this 12
6 years ago and my own anxiousness, I suggest this. I
7 called an old Trustee to think -- to see what he
8 thought. He thought it was prudent. Now I'm
9 recommending that the Board give us that flexibility in
10 the deposit.

11 Acquisition Committee Chair Walser: I make a
12 motion that we stagger the transferred funds as
13 proposed by the staff.

14 Restoration Committee Chair Kumor: Second.

15 Chairman Wilson: Okay, a motion from
16 Jason and a second from Renee; let's have any
17 discussion that we might want to have, and then I have
18 a question of whether we should actually ask Will to
19 read the staff recommendation.

20 Mr. Feagan: I think that you're
21 all right.

22 Chairman Wilson: Okay, all right, so
23 no need to read this because there is, and we're going
24 to incorporate it into the minutes; any more discussion
25 or any discussion, I should say? No, okay, please

1 vote. All in favor, please say aye.

2 Trustees: Aye.

3 Chairman Wilson: Okay, anyone
4 opposed; all right, motion carries; thank you, Will.
5 Okay, we now have item five on our business agenda,
6 which is the access easement dispute and title
7 insurance claim 2018-045 North Carolina Coastal Land
8 Trust - Soldier's Creek Landing, and, Zoe, I will turn
9 it over to you.

10 Ms. Hansen Burnet: Just a bit of
11 housekeeping to bring us home tonight; at your meeting
12 in May of 2021, the Board authorized staff in previous
13 legal counsel by name to work with the Attorney
14 General's Office as well as North Carolina Coastal Land
15 Trust and Chicago Title Company to finalize a complaint
16 and initiate a lawsuit in order to protect the Land and
17 Water Fund's and the State's legal rights to access of
18 a specific conservation easement. Progress is on the
19 horizon, and procedurally we need to authorize staff
20 and current legal counsel to work on a solution to in
21 the same dispute. The staff recommends that the Board
22 approve and staff -- excuse me; that the Board approve
23 the staff and the department's legal counsel to work
24 with the Attorney General's office, the North Carolina
25 Coastal Land Trust and the title company to reach a

1 pre-litigation access solution and, if necessary,
2 finalize the complaint and initiate the lawsuit to
3 protect the Land and Water Fund's and the State's legal
4 rights to access the existing conservation easement.

5 Mr. Williams: So moved.

6 Restoration Committee Chair Kumor: Second.

7 Chairman Wilson: Okay, Darrel made
8 the motion and Renee seconded; any discussion? No, I
9 would just like to make one correction. It's not
10 evening yet. It's still afternoon. Okay, all in favor
11 of this staff recommendation for this motion, please
12 indicate by saying aye.

13 Trustees: Aye.

14 Chairman Wilson: Anyone opposed;
15 okay, that motion carries; thank you; any more --
16 anything else; anybody, Will?

17 Executive Director Summer: This has been
18 plenty.

19 Chairman Wilson: Okay, we are -- we
20 are adjourned; thank you.

21 Executive Director Summer: Thank you,
22 everybody.

23 (The proceedings were concluded at 5:32 P.M.)
24
25

NORTH CAROLINA

WAKE COUNTY

C E R T I F I C A T E

I, Dona E. Overby, Notary/Reporter, do hereby certify that this Board of Trustees Meeting was taken by me and transcribed under my direction and that the one hundred pages which constitute this Board of Trustees Meeting are a true and accurate transcript.

IN WITNESS THEREOF, I have hereunto set my hand this 13th day of November, 2022.

Dona E. Overby
Notary Public
Certificate No.: 19971920107