

AGENDA
North Carolina Land and Water Fund
Restoration, Innovative Stormwater, and Planning Committee Meeting
March 7, 2023, 1:00 p.m. – 4:00 p.m.

This meeting will be held via teleconference and will have a physical location on the 4th floor of the Nature Research Center located at 121 West Jones Street, Raleigh, NC in room 4508. If any member of the public would like to join the meeting via MS Teams or in person, please contact Terri Murray at teresa.murray@ncdcr.gov or 919-707-9400 in advance for links or directions.

Committee Members:

Renee Kumor (Chair), Ann Browning, Mike Rusher, Darrel Williams, John Wilson

COMMENCEMENT

1) Call to Order (Chair)

a) Welcome

b) Roll call

c) Compliance with General Statute § 138A-15

General Statute § 138A-15 mandates that the Chair inquire as to whether any Trustee knows of any conflict of interest or the appearance of a conflict of interest with respect to matters on the agenda. If any Trustee knows of a conflict of interest or the appearance of a conflict of interest, please state so at this time.

d) Please put cell phones on vibrate or turn off, and if you are joining remotely, mute your audio and turn off your video unless you are called upon to speak

e) Revisions, additions, and adoption of the agenda

2) Executive Director's update (Will Summer)

PUBLIC COMMENTS

The public is invited to make comments to the Board (Chair)

The NCLWF policy manual states that comments shall be limited to subjects of business falling within the jurisdiction of the NCLWF. The NCLWF welcomes public comments on general issues. Comments will not be allowed on individual projects before the NCLWF for funding during the regular meeting. Comments will be limited to three minutes per person.

BUSINESS

1) Program Manager's update (Steve Bevington)

Staff will provide the committee with a program update.

2) Reconsideration of appraisal requirements for restoration projects (Steve Bevington)

Staff will present proposed changes to restoration project contract conditions for determining the

value of riparian areas to be used as matching resources.

3) Review of conservation agreement expectations for restoration projects (Steve Bevington)

Staff will present examples of typical conservation agreement expectations, exceptions that have been made through policy and practice over time, and some additional considerations for emerging practices.

4) Improving access to NCLWF funds and benefits (Will Summer)

Staff will summarize the board action on improving access to underserved communities and provide background information to begin committee work on the assignment.

ADJOURNMENT

Action Item**Staff Member: Steve Bevington**

Agenda Item 2) Reconsideration of Appraisal Requirements for Restoration Projects**Background**

The Restoration and Innovative Stormwater (ISW) Program has for many years used the same general appraisal policy as the Acquisition Program for valuing easements donated as match. Grantees can use either the tax valuation assessed by a county tax assessor's office or a recent appraisal for the parcel in question. Appraisals are required if the total value of any land or interest in land to be donated as match exceeds \$100,000. Because riparian buffer areas donated as match are usually relatively small percentages of parcel area this threshold has rarely been reached. However, with increases in land prices and applications now more frequently proposing entire floodplain tracks as match, appraisal requirements for restoration and ISW projects will become more frequent.

As the State does not pay for land or easement acquisition for our restoration projects, but accepts land value only as match, there is a concern that stricter appraisal requirements designed for the Acquisition Program provide an unnecessary cost and delay projects.

Staff recommendation

Staff recommends reconsidering appraisal requirements for restoration and ISW projects when the land donation is required only to facilitate restoration projects and the property interest is being considered as match only.

Committee action needed

Review the information presented and provide direction for staff to develop draft recommendations for the next committee meeting.

Attachments: Appraisal language from current NCLWF Restoration Contract Template Budget

From Restoration Contract Template - Exhibit B, Budget:

The value of a Conservation Easement (or other legal instrument acceptable to the NCLWF) donated to the Project by a property owner or acquired by the Grant Recipient may be claimed as matching funds contributed to the Project only after the Grant Recipient has provided to the NCLWF all of the following information for that donated easement:

- (a) calculated area of the easement;
- (b) copy of the easement document as recorded by the County Register of Deeds; and
- (c) basis for the claimed value of the easement, which may be in the form of:
 - i. current property tax valuation assessed by the County Tax Assessor's Office showing total value of land and/or improvements, if any, with indicated year of the actual assessment. This option is available for land acquisitions for which the total price for any given parcel does not exceed \$100,000. An appraisal is required if the total value of any given parcel exceeds \$100,000. See additional details on appraisal requirements below; or
 - ii. if a recent appraisal has been prepared, the appraisal summary may be used, instead of the tax valuation.

Appraisal Requirements. Appraisals are required if the total value of any land or interest in land to be donated as match exceeds \$100,000. Appraisals must be satisfactory to the NCLWF, performed by a North Carolina general certified appraiser in accordance with Uniform Standards of Professional Appraisal Practice, and are subject to review by the State Property Office. Two (2) appraisals are required if the value of the interest being donated is greater than \$500,000. All Appraisals should be forwarded to the NCLWF as soon as possible, but no later than ninety (90) days prior to the anticipated recordation date, and the State should be included as an authorized user of all Appraisals. All Appraisals should either reflect the market value of the Property or Conservation Agreement at the time of donation. At the discretion of the NCLWF, the Grant Recipient may be required to amend or update the Appraisal. The Grant Recipient specifically acknowledges that the NCLWF's acceptance of the matching funds value for the land acquisition is contingent upon approval of the appraised value by the State Property Office.

Action Item**Staff Member: Steve Bevington**

Agenda Item 3) Review of conservation agreement expectations for restoration projects**Background**

For much of NCLWF's history, restoration projects funded by the Board of Trustees were largely stream restorations based on natural channel design techniques. NCLWF expectations and requirements for land conservation agreements have reflected this history with permanent conservation agreements expected for approximately 100-foot-wide riparian areas in most cases. However, there are a number of exceptions to the standard width and duration of the agreements, including: where there are unavoidable constraints, when partnering with specific State and Federal agricultural programs, and when funding limited enhancement practices, such as riparian tree planting. These exceptions have been made via practice and policy over the past 20 years and staff would like to refresh the committee's awareness of these situations.

There are also some emerging practices that are becoming more common, such as dam and culvert removals, and fish passage projects, where traditional conservation agreements may not be the most practical or effective way to secure successful outcomes.

Staff will present examples of different project types we fund and their respective conservation agreements and alternatives for some of the atypical project types we are now seeing.

Staff recommendation

Staff recommends reconsidering conservation agreement requirements for restoration projects and developing a set of expectations for how to protect State investments for instream channel work, littoral, and coastal areas where permanently protected riparian zones are not essential to long-term project success.

Committee action needed

Review the information presented and provide direction for staff to develop draft recommendations for the next committee meeting.

Action Item**Staff Members: Will Summer / Steve Bevington**

Agenda Item 4) Improving access to NCLWF funds and benefits**Background**

At its Board meeting on February 28, the NCLWF Board of Trustees directed the program committees to work with staff to identify appropriate tool(s) to determine what will qualify as an “underserved community” for the purpose of our scoring system. And then to develop recommendations for the following:

- adding points in the rating system to projects that demonstrate impact/engagement in underserved communities; and
- providing an alternative scoring structure for all or some of the matching points in the rating system.

Staff will review the current available tools for qualifying an underserved community and, as time allows, begin reviewing the current rating systems and ways in which they might consider the aforementioned adjustments to the rating system.

Committee action needed

Review the information presented and provide direction for staff to develop draft recommendations for the next committee meeting.