

**MINUTES**  
**SOUTH CAROLINA CONSERVATION BANK**  
**Wednesday, November 16, 2016 – 10:00 am**  
**1201 Main Street – Third Floor Conference Room**  
**Columbia, SC 29201**

The South Carolina Conservation Bank Board (SCCB) held its regular meeting at 10:00 am, Wednesday, November 16, 2016 at 1201 Main Street, Columbia, South Carolina. Notice of the date, time and place of the meeting was posted and mailed to the news media in accordance with the Freedom of Information Act. Chairman James Roquemore presided at the meeting and members present included Michael G. McShane, Vice Chairman; Andrea Clark; C. Douglass Harper; D. Clinch Heyward; Charles G. Lane; W. Thomas Lavender, Jr.; William L. Snow, Sr. and Ex-Officio members Cary L. Chastain, Chairman SCDNR Board and Phil Gaines for Duane Parrish, Director for SCPRT. Members absent were Elliott Close and Ex-officio member Dr. Walt McPhail, SC Forestry Commission Chairman.

**I. WELCOME AND CALL TO ORDER**

The Chairman called the meeting to order and welcomed everyone and thanked everyone for their work in getting the meeting organized.

**II. INTRODUCTION**

The Chairman introduced the two new Board members. W. Thomas “Tommy” Lavender, Jr. and Cary L. Chastain, Chairman for the SCDNR and welcomed both on the Board.

**III. ADOPTION OF MINUTES**

The Chairman called for a motion to adopt the minutes from the May 5, 2016 meetings. Mr. McShane made the motion to approve the minutes. Ms. Clark seconded and the motion unanimously passed.

**IV. EXECUTIVE SESSION**

Mr. McShane stated there were some contractual and personnel issues that the Board needed to review before going into any of the grant proposals. Mr. McShane made a motion for a brief Executive Session to review the contractual and personnel matters. Ms. Clark seconded and the motion unanimously passed. The Chairman asked all parties to leave for the Board to go into a brief Executive Session.

The Chairman called for a motion to go back into regular session. Mr. Snow made a motion to go back into regular session. Mr. Heyward seconded and the motion unanimously passed.

**V. RETURN TO REGULAR SESSION**

Mr. McShane stated there were two items discussed in Executive Session that are to be presented. First, Congaree Land Trust provided the Director information on an application that was approved in November 2015 on property in Fairfield County and the Board accepted that information and appreciates the Congaree Land Trust bringing this information to the Bank pre-emptively. Second is a motion to approve SCDNR’s application for two grants under the Provisos 117.143 and 117.144. Per those provisos to transfer \$2,000,000 to SCDNR for match for Pittman Robertson Funds for the State portion of that and \$1,000,000 to SCDNR to be used as match North American Wetland Application (NAWCA) dollars. The Director of the SC Conservation Bank will coordinate the distribution of funds with the Director of SCDNR. The Chairman stated this was a motion and called for a second. Ms. Clark seconded and unanimously passed.

Mr. McShane stated that a point for the rest of the audience, the \$3,000,000, for those other entities supporting the Bank, the impact in reality is \$14,000,000 to the SCDNR. \$2,000,000 is freed up from SCDNR's revenue for Pittman Robertson on top of the \$2,000,000 the Bank just made will be matched for \$6,000,000 putting SCDNR at \$10,000,000. The NAWCA \$1,000,000 will bring another \$3,000,000 in totaling \$14,000,000 for SCDNR. Ironically that is about what the SC Conservation Bank gets. This one motion had a \$14,000,000 impact on SCDNR. The Chairman stated great projects will be done because of the Bank's grant award and the match funds.

## **V. OLD BUSINESS**

### **A. FINANCIAL STATUS**

The Chairman asked Mr. Davant to provide a financial status update. Mr. Davant stated during the current year the Bank started with \$15,000,000 and took the Proviso to SCDNR and office operating expenses out leaving \$11,737,500 for grant awards. The total spent to date is \$2,964,040 which leaves us \$8,773,460 to spend now. The amount of grants that were approved at the last Board meeting was \$12,713,239. The difference in that is when the Board voted on the budget in May 2016 the Board was looking at the BEA amount and the Governor's Budget and at that time the Bank wasn't aware it was going to have to transfer \$3,000,000 to SCDNR. Therefore, the grants approved in May actually were over \$4,000,000. Not coincidentally that's where the difference in the funding comes. Since those grants were approved they will have to be carried over to the next fiscal year before paying them off. The Bank wanted everyone to understand why there was an apparent issue which was due to the Bank not receiving the anticipated budget authority.

Mr. Lane asked if the \$12,713,239 assumes that all the grants would actually go through and some of them would not fall out. Mr. Davant stated for purposed of budgeting you have to assume that some grants probably will not go through. There are some grants that have already passed the six months priority queue given at the last Board meeting. Some of those grants will go through but apparently in preparing their due diligence some entities wait till the last minute. Mr. Davant stated the current budget, as presented (copy attached), to the Board has some assumptions that will have to be made to budget for FY 2017-1, that is if the Bank gets the BEA's 2/10/16 estimate for FY 2017-18 of \$16,627,250. The Bank is making the assumption that it will still have to transfer the \$3,000,000 to SCDNR. It may be less, it may be more. We won't know probably until June. The next amount is the amount the Bank is carrying over (\$3,909,910). If you remember the Bank approved some large grants that it is making partial payments on and those will have to be carried forward into the next fiscal year too. Therefore, the Bank has \$5,402,561 to award for grants, under the assumptions the Bank is making, that the Bank can spend for FY 2017-18. Mr. Davant stated that concluded the financial report.

The Chairman called for any questions. There being none the report was accepted as presented.

The Chairman stated one great thing the Bank does is leverage and the land groups help with that leverage and called for Mr. Davant to speak to the subject of leverage so everyone could understand the total value of the Bank and what its partners do. Mr. Davant stated that leverage is money that the Land Trusts come up with to match the funds the Conservation Bank supplies. Although leverage is not required and is not part of the statute that an entity has to have leverage funds to qualify for a Conservation Bank grant. It is not a requirement, it is nonetheless important and it cuts the costs for the Bank so that Bank funds can be spent on additional grants and spread the resources efficiently. It would not stop anyone from getting a grant but it helps to have. Mr. Davant researched how much leverage the Bank grants had actually generated by writing to all grantees who received grants since 2004 and requested they forward to the Bank the amount of direct leverage (matching funds, if you will) that were generated just by the Bank grants. The Bank wasn't interested in how many times someone else matched those same funds, but how much leverage did the Conservation Bank grants generate. Not surprising the information showed that the Bank has issued \$135,000,000 in grants and the State has received back \$137,000,000 in match funds. This information included everyone except for one conservation group that the information has not yet been received. The point is there is more money coming back into the State of South Carolina in matching funds than the Bank is paying for grants. You can't make the argument that it is coming straight back to the General Fund. If anything, if you use the multiplier effect on funds coming back into the State of 4-6 times,

much of that money coming back is federal NAWCA grants. It is being used locally for engineers, contractors and landowners. There are probably thousands of jobs associated with Bank grants. We don't do a press conference and say these jobs have been created as they are good jobs and they are recurring. The point from an economic value of leverage funds coming back into our state as a result of Conservation Bank grants. It has a huge economic impact on our local communities, in particular our rural communities. Everyone when answering questions to legislators or folks who don't understand all about the Bank, should explain that it is more money coming back into the State than the Bank has paid out which is a good deal. This does not include one group which should be a fair size match but even without including that group it is still more money coming into the State than being paid out. That is an important number for people to understand and realize.

The Chairman stated that the Board appreciates that Land Trusts and groups that have taken the request seriously and have provided this information. It is important in the continuance of the Bank and the fight for reauthorization to try to provide valid information of the value of the Bank. The Chairman thanked those that have submitted the information requested and asked any group that had not submitted the information to please work on getting this information submitted as it was valuable to the Bank. The Report on leverage cannot be completed until all information has been submitted.

## VI. NEW BUSINESS

### A. CARRYOVER GRANT PROPOSALS

1. **Landco Project (Stevens Tr.)** – Mr. Davant stated this was a previous application from the Audubon Society they had requested to be carried over prior to the last Board meeting and they now have the application request completed. This is a fee simple purchase on 557 acres in Dorchester County. The Audubon Society is trying to buy this tract and they have considerable matching funds. It has 2.3 miles on the Edisto River and adjoins other protected lands. Audubon will raise the remainder of the funds and the tract will have full public access. A good thing for the Board, many years ago when the Dorchester Fund situation with Bacon's Bridge arose and there were some funds left in that account. Those funds will be used as matching and leverage funds for this grant. There was one issue that raised some concern as the Conservation Bank cannot award a grant to a county. It was the Audubon's intention, when the application was filed, that the property would be a public park but it would become the property of the county which created an issue for the Bank. Mr. Davant called for Sharon Richardson with the Audubon Society to address this issue. Ms. Richardson stated when the application was submitted they didn't realize there was a conflict but the Audubon Society will now hold fee simple title in perpetuity and do a long term lease with the county. The intention is to provide a public benefit to the county.

Mr. Lane stated the template for that is that the Board made a grant before in the ACE Basin through The Nature Conservancy (TNC). TNC holds the title but the Fish & Wildlife has a long term management agreement where they basically run the tract as part of the agreement. Mr. Richardson stated she had discussed the matter with the legal counsel for the National Audubon Society and they agree this will work for the Audubon. Mr. McShane asked if this was an amendment to the application that the Audubon will retain title to the tract and Ms. Richardson confirmed. Mr. McShane stated the application needs to reflect that, presuming it is approved, that Audubon will retain title to the Property.

The Chairman stated that staff's recommendation is to approve the grant in the amount of \$555,000 with the proviso that the property cannot be transferred to a county. Mr. McShane made the motion to accept staff's recommendation. Mr. Snow seconded. Mr. Lane recused himself from voting as he may be involved in some of the matching funds. Mr. Lavender also recused himself from voting. The motion unanimously passed.

2. **Gopher Woods (Burris) Tract** – This is a conservation easement on 593.76 acres in Hampton County submitted by the Beaufort Co Open Land Trust. The amount requested is \$306,000. This is located in the SOLO area within the Coosawhatchie watershed near Varnville, SC. It is timber recreational tract and is a nice piece of land at a good value. The landowner has donated 11 other conservation easements in this area. Staff's recommendation is to approve the grant for \$306,000.

The Chairman called for a motion. Mr. Snow made a motion to accept staff's recommendation. Mr. Heyward seconded. The Chairman called for further discussions. Mr. McShane confirmed the request was for the easement. Mr. Davant confirmed. Mr. Lavender asked about prioritization and scoring, stating that scoring wasn't reflected on the schedule and there doesn't seem to be a hierarchy in terms of the higher scoring grants. Mr. Lavender wanted to know if there was some ranking other than the way they appear to the Board members. Mr. Davant stated it was not necessarily a prioritization whether one is more important than the other. It is actually more of trying to take the best grants received and back them into the money that is available. They are all similar properties. Mr. Davant stated the priority of one is not any greater than the other. Mr. Lavender asked about the scoring as one was way down and that's why he was asking. The Chairman stated there are 20-30 different criteria that reflect the final recommendation – budget, size of the land, where it is located to tie into another piece of land – and the scoring criteria is just one of those components which is important but wetlands and other redeeming values too. There is a lot considered in the final recommendation other than scoring but scoring is important. Scoring gives the first benchmark to decide if the grant is valuable or not. Mr. Davant stated the score is not the final determination. The Board makes the decision but the score Mr. Davant goes through has twelve conservation criteria, five financial criteria and four on public access. Mr. Lavender stated he was trying to learn the process. The Chairman stated the Board doesn't automatically take the Director's recommendation but it is looked at and reviewed by other Board members.

The Chairman called for any further discussion. There being none the Chairman called for a vote on the motion and the motion unanimously passed.

3. **Fairfield (McCrary) Tract** – This is a conservation easement on 177.8 acres in Fairfield County submitted by Congaree Land Trust. The requested amount is \$44,450. Congaree LT is requesting 45% of the conservation easement value. This tract has frontage on McClure Creek near Sumter National Forest close to the Chester County line. This is a timber/recreational tract. The land has been managed well in terms of timber and buffers lining the creek with a 50' creek buffer. Staff's recommendation is to fund the grant in the amount of \$44,450.

The Chairman called for a motion to accept staff's recommendation. Mr. Lane asked if the appraisal had been completed on this tract and Mr. McShane asked the same question. Mary Crockett with Congaree LT stated the full appraisal had not been completed just the estimate letter. Mr. Lane stated based on previous discussions perhaps this grant should be done at 45% of the CEV or the \$44,450. Mr. McShane made the motion to accept the application from Congaree LT not to exceed either the \$44,450 or 45% of the final appraisal whichever is less. Mr. Lavender seconded. Mr. Snow stated for clarification that when an appraiser provides a letter he has to have a file and that file has to be built almost to the point where the appraiser is ready to issue a final appraisal. It cannot just be "I think it's worth \$185/acre or \$1,000/acre". Mr. Snow further stated the Bank did go to the Appraiser Board and got a written opinion on this issue and the Appraisal Letters are very important. The Bank doesn't expect to see a lot of variation from that letter. If it happens every once in a while is one thing but according to the Appraisal Board and the Appraisal Board's Standards when the appraisal letter is received that was to be a file to back it and is about ready to issue a final appraisal. Mr. Snow stated the auditors are reviewing this material and the Appraisal Board is reviewing closely, so this is to caution everyone when you receive an appraisal letter make sure there is a file and the proper procedures have been followed.

The Chairman stated we have a motion and a second then asked for any further discussion on the grant application. There being none the Chairman called for a vote and the motion unanimously passed.

4. **LOCURA Tract** – This is a conservation easement on 241 acres in Fairfield County submitted by Congaree Land Trust. The requested amount is \$60,250. Mr. Davant stated this tract is located near the Fairfield (McCrary) Tract. They are seeking \$250/acre which is 45% of the conservation easement value. It is located near Sumter National Forest with a 50' stream buffer. It has been very well managed for timber and is a timber recreational tract. This is a good value and staff's recommendation is to award the grant in the amount of \$60,250 and subject to the same terms of the Fairfield (McCrary) Tract.

The Chairman called for any discussions. Ms. Clark asked if the same proviso could be applied to this grant as applied to the previous grant award. Ms. Clark made a motion to not exceed the \$250/acre or 45% of the final CE appraised value. Mr. McShane seconded. There being no other discussion the Chairman called for a vote and the motion unanimously passed.

5. **Bampfield Tract** – This is a conservation easement on 231 acres in Hampton County submitted by the Lowcountry Land Trust. The requested amount is \$138,586 which is 35% of the CEV. This is \$600/acre which is the high end of the CEV. It is located on the Combahee River and near I-95. It is in the ACE Basin and the landowner has agreed to donate 70% of the easement. It includes 18 acres of forested wetlands and is close to other protected lands and a continuation of protecting property in the ACE Basin. Staff's recommendation is to approve the grant for \$138,586. It is a good value.

The Chairman stated the request is only 10% of the estimated appraisal value. Mr. McShane asked for clarification stating that the requested amount is for 30% of the Conservation Easement Value which correlates to 10% of the fair market value. Mr. McShane stated the request is for \$138,586 which according to the applicant is about 30% of the estimated Conservation Easement Value not 10%. The Chairman stated his reference was 10% of the fair market value and realized it was 30% of the CEV. Mr. Snow made a motion to accept staff's recommendation to award the grant for \$138,586. Mr. Heyward seconded. Mr. Snow asked since this was in the ACE Basin what makes this not a SOLO project since it is in the same neighborhood. Mr. Lane stated when it rains on this property it goes into the Combahee River and goes to St Helena Sound and that's what defines the watershed. There being no other discussions, the Chairman called for a vote on the recommendation of funding this grant for \$138,586 and the motion unanimously passed.

6. **North Enoree Watershed Tract** – This is a fee simple purchase of 34.5 acres in Greenville County submitted by the Naturaland Trust. The requested amount is \$100,000. Mr. Davant stated that Naturaland Trust would be purchasing the property and they have asked the Bank to fund 52% of the purchase price and Naturaland Trust will raise the remainder of the funds. It is located close to a couple Heritage Trust Preserves and contains a Piedmont Seep which Mr. Davant stated he had gone to look at. It is definitely a unique natural resource. This property has been listed for sale for development and Naturaland Trust intends to make the tract a public access park and it will adjoin other park access areas and provide access to lands that are already protected. Staff's recommendation is to award the grant in the amount of \$100,000.

The Chairman called for questions. Mr. McShane asked who the current owner of the tract is. Mr. Frank Holleman stated that Naturaland has title to the property but they have not paid the owner as yet for the tract. The Chairman stated that this would have full general public access with year around activities and Mr. Holleman confirmed. Mr. Lane made the motion to accept staff's recommendation to award the grant for \$100,000. Mr. McShane seconded. Mr. Doug Harper recused himself from voting as he is a member of the Naturaland Trust Board and for any other Naturaland Trust applications. The Chairman confirmed and called for any other questions. There being none, the Chairman called for a vote to approve the grant for \$100,000. The motion unanimously passed.

7. **Oconee Town Village** – This is a fee simple purchase of 53.38 acres in Oconee County submitted by Naturaland Trust. The requested amount is \$134,000. This is a very important archeological site that adjoins the Oconee Station Historical site, the site of the Cherokee Indian Village. The tract will be donated to PRT will full public access. This tract is unique as it has a revolutionary campsite and is adjacent to the Sumter National Forest. Naturaland Trust is attempting to include this tract in the National Historic Register. The land trust will pay the closing costs. Staff's recommendation is to fund the grant for \$134,000.

Mr. McShane asked if PRT had been involved in this project and supports it. Mr. Phil Gaines with PRT stated PRT had been working with Naturaland Trust on this project and it was good cultural and archaeological site. Mr. McShane made the motion to accept staff's recommendation to fund the grant for \$134,000. Ms. Clark seconded. Mr. Snow asked how Naturaland Trust was able to get the deal for \$2500/acre and Mr. Holleman stated that is what the tract appraised for. Mr. Holleman stated it was in a rural area in Oconee County. Mr. Doug Harper recused himself from voting. The Chairman called for a vote on the motion and the motion unanimously passed.

8. **Persimmon Ridge Headwaters Tract** – This is a fee simple purchase on 16.26 acres in Greenville County submitted by Naturaland Trust. The requested amount is \$125,000. Mr. Davant stated this tract is located in the Mountain Bridge Wilderness area and is adjacent to a Heritage Preserve. The intent is to transfer the property to DNR or PRT. The tract is adjacent to Caesars Head State Park and fronts on Slickum Creek and

Persimmon Ridge Road. It is an inholding in a State Park. There is a dam on the property that has to be removed to protect plants downstream. The tract will have full public access and Naturaland Trust is requesting 45% of the value and Naturaland will raise the remaining funds. Additionally, there is an additional 16 acres below the dam owned by Naturaland Trust that will be donated to adjoin this project.

Mr. McShane stated with the donation it is actually a 31.26 acre tract and Mr. Holleman confirmed. Mr. Lavender stated he was familiar with the area. Mr. McShane made a motion to award the grant in the amount of \$125,000. Mr. Heyward seconded. The Chairman asked if Naturaland had determined if PRT or DNR would be taking possession of the tract. Mr. Holleman stated DNR had a particular interest as the stream flows through the Chandler Heritage Trust Preserve and DNR is working with Naturaland to make sure nothing happens to the dam until this acquisition is completed. Mr. Holleman stated it would be up to the two agencies which would take the property. Mr. Gaines stated PRT is working with Naturaland Trust and DNR and the two agencies co-manage several properties in that area as well. Mr. Harper recused himself from voting. The Chairman called for a vote on the approval of \$125,000 for the grant and the motion unanimously passed.

9. **The Furman Face Property (Phase II)** – This is a fee simple purchase on 65 acres in Greenville County submitted by Naturaland Trust. The requested amount is \$450,000. Mr. Davant stated this is called Furman Face as when you stand at Furman University and face the mountain this is the first site you see from the campus. Naturaland Trust is asking for 70% of the purchase price and the property will be donated to the Paris Mountain State Park. Additionally, an interested nearby landowner will donate 14 acres with a value of \$800,000 to this provided the grant is approved. It is located 4 miles outside of Greenville and in the viewshed of Furman University. The tract will expand the Swamp Rabbit Trail and have full public access. Staff's recommendation is to fund the grant if funds are available.

Mr. Lane asked where the 14 acre tract is located. Mr. Holleman stated it wasn't located on the map but that the 14 acres has already been donated to the Naturaland Trust as a gift and would provide the location information. Mr. McShane clarified that Naturaland Trust has already received the donation of the 14 acres and Mr. Holleman confirmed. Mr. Holleman stated the 14 acres would be transferred whenever the PRT is willing to accept the tract. Mr. Gaines stated this would connect into some existing trails. Mr. Holleman stated the ultimate plan was to provide a new trail that would go up to the DOT property and would be an additional trail to be added to the State Park. Mr. Holleman stated that other property owners have given verbal agreements to being open to having the trail come through the area. Mr. Snow asked if the 14 acres was tied in as a condition of the approval or denial of the grant application before the Board. Mr. Holleman stated Naturaland Trust will give the 14 acres to PRT when they are willing to accept the acreage. The 14 acres was donated to aid in the completion of the entire project being completed and Naturaland felt it would make for a good match. Mr. Snow asked if the 14 acres was conditional on the approval of the application. Mr. Holleman stated that if for some reason PRT decided not to accept, that Naturaland would still want to acquire the tract and make into a park. Mr. Gaines stated he had no idea why PRT wouldn't want to accept the transfer of property as it is a great project and helps to tie the front side of the mountain to the back side of the mountain. Mr. McShane seconded Mr. Snow's motion and asked Naturaland to keep the Board informed. Mr. Holleman stated they would. The Chairman asked if five years from now PRT for whatever reason decided not to accept what would happen to the tract. Mr. Holleman stated the Naturaland would hold as a preserved property to stay protected. Mr. Harper recused himself from voting. The Chairman called for a vote on the recommendation of \$450,000 and the motion unanimously passed.

10. **Riverside Farms Tract** – This is a conservation easement on 2,105 acres in Lee County submitted by Pee Dee Land Trust. The amount requested is \$1,200,000 @ \$570/acre which is 39% of the CEV. Mr. Davant stated that the Conservation Bank Act charges the Board to protect small family farms. This is a working family farm with 1.3 miles on the Lynches River. It is in danger of conversion as the landowner is having a tough time making everything work out. If the grant is approved it is a good chance the farm will be there for a long time. Frontage and access to the farm as far as marketing is very good and the price is good. Currently there are no grants in Lee County and is an important consideration in terms of geographically utilizing the Bank's resources. Staff's recommendation is to fund the grant for \$1,200,000.

The Chairman called for a motion from the Board. Mr. Snow moved to accept the recommendation of staff to fund the project for \$1,200,000. Ms. Clark asked if this was being approved to be paid in two separate

payments. Mr. McShane stated staff's recommendation was to make the award in two separate payments. The Chairman stated this would be equal payments of \$600,000 each. Mr. McShane asked if this was correct and Mr. Davant confirmed. Mr. McShane asked if that would be a problem for the applicant. Mr. Seth Cook with the Pee Dee Land Trust asked if this would require two separate closings or could it be done with one closing with a guarantee of the second payment. The Chairman stated it would be guaranteed provided the Bank had funds available. Mr. Cook stated he would have to talk to the landowner prior to making a final commitment. Mr. Snow stated that the Bank has never committed to fund a grant that the legislature didn't back the commitment up. The Chairman stated there is always a risk based on what funding the Bank receives from the Legislature and this is true of any grant award whether first, second or third payment. The Chairman stated Mr. Cook could wait and contact the landowner to see if he had an issue with the split payment. Mr. Cook stated he would like to contact his landowner. Mr. Snow withdrew his motion and Mr. McShane moved to defer the project to later in the meeting.

11. **Wallace Farm Tract** - This is a conservation easement on 348 acres in Marlboro County submitted by Pee Dee Land Trust. The requested amount is \$100,000 which is 61% of the CEV at \$287/acre. It is a working family farm near Wallace, SC and is adjacent to other grants made by the Bank with the help of Pee Dee Land Trust. This could be a linchpin site in this area and the agreement on this easement is there will be no timber cut in the conservation easement. The property is close to the North Carolina line. Staff's recommendation is to fund the grant in the amount of \$100,000.

The Chairman called for any other questions on the grant. Mr. Lane made a motion to accept staff's recommendation to award the grant for \$100,000. Mr. Heyward seconded the motion. The Chairman called for any further discussion and Mr. Lavender asked if the fair market value is \$800,000 on the 348 acres and Mr. Davant confirmed. Seth Cook with Pee Dee Land Trust stated this tract was planted in pines and is timber land and was previously farm land prior to pines being planted. The Chairman stated this is an example of property that is awarded an easement and for \$300 or less an acre the landowner isn't going to let just anyone come on their property anytime they want too. Everyone needs to be aware there is a reason the grant is that way and for \$287/acre; however, if this had been at \$3,000/acre this would be a different story. Mr. Harper asked if that was part of the Board's mission to preserve important family farms and the Chairman confirmed. The Chairman called for a vote and the motion unanimously passed.

Mr. Davant stated the Board doesn't always have a discussion of public access as defined by public benefits. Public Benefits of Conservation Easements have long been proven to be extremely valuable. Public access is a great thing where it is available but the only way to get public access is to buy a piece of property. Mr. Davant stated that at the end of the day you may hear the argument over public access; however, you need to ask yourself do you want a state agency or government to own an additional 300,000 acres that are now protected for public access but it takes it off the property tax role and Counties are going to be upset about that. There are many things to consider, public access is just one. Public Benefits are flood control, water quality, open space, and 15 or 20 different reasons to do a conservation easement, but at the price the Bank pays for CEs it would not be very much public access. It does have a public benefit and we need to not forget that.

The Chairman stated the Harris Pillow Property, Kling Property and Smooth Seas Property submitted by the SC Battleground Trust would be deferred to the end and the Board would take up the next application.

12. **Asbury Hills Expansion** – This is a conservation easement on 39.24 acres in Greenville County submitted by The Nature Conservancy. The requested amount is \$40,000. Mr. Davant stated several years back the Bank Board approved the original easement on Asbury Hills Methodist Church Camp and this acreage adjoins that tract. It is in the Southern Blue Ridge and is to be used in association with the Methodist Camp Retreat. There will be a large degree of public access to the property. There is frontage on two creeks and a beautiful waterfall. There will be no commercial timber cut and the landowner is willing to donate 70% and provide access to the Methodist Camp. At \$40,000 this is 30% of the CEV. Staff's recommendation is to fund the grant for \$40,000.

The Chairman called for any questions or comments. Mr. Snow asked if there was an MAI appraisal and Mr. Davant confirmed there was. Mr. Lane stated he thought it was a great project. Mr. Snow made a motion to approved staff's recommendation to fund the project for \$40,000. Mr. Lane seconded. Mr. Davant stated that

80-85% of the Banks appraisals now received are from an MAI appraiser. The Chairman called for a vote on the motion and the motion unanimously passed.

13. **Gap Creek Tract** – This is a fee simple purchase on 943.98 acres in Greenville County submitted by The Nature Conservancy. The amount requested is \$2,000,000. Mr. Davant stated this was a very important piece of land in Greenville and TNC intends to buy this property in fee simple and ultimately transfer to SCPRT in the Mountain Bridge Wilderness and it is currently under a DNR WMA with hunting, fishing and other recreational opportunities. TNC will raise the additional funds and this tract is important to the Mountain Bridge Conservation efforts. It contains forested lands and it borders North Carolina's state line. It has an incredible viewshed from Hwy 75 and is to have full public access. Mr. Davant stated in the last day he received information from Kristen Austin with TNC that the appraisal of this tract has come back at a higher value than what the original request was for. TNC isn't increasing the requested amount but just that the appraisal states the tract is worth more than the asking price. The amount requested is \$2,000,000 which is a lot of money; however, this is an incredible piece of property. Staff's recommendation is to award the grant for \$2,000,000 to be paid out in two separate payments of \$1,000,000 each.

The Chairman stated since this was a larger grant and requested amount, would the applicant like to make any comments. Ms. Austin stated this is an iconic property in the mountains of SC and is part of a 40 year conservation vision that Tommy Wyche put forward decades ago and this would be a big part of completion of that vision and expand Jones Gap to Hwy 25. It would also give much needed public access to a demanding recreational community in the upstate. The Chairman asked if there were any issues for TNC with the split payments and Ms. Austin stated there were none. Mr. Lane stated it was his understanding that the owners of the tract may retain 10-12 acres and can the Board assume this would be restricted so there was no commercial or adverse use of the property. Ms. Austin stated that was the goal and TNC was working through at present and that there was a possibility the landowners would not retain the 10-12 acres. The landowners asked to have the "right" to retain but not the "obligation" to retain this acreage. Mr. Harper stated he had been on the property and it was a gateway project. It is right on Hwy 25 and would be easy to develop and it ties the whole Mountain Bridge together with the Walter Wildlife Corridor and it is an exceptional opportunity for the State. Phil Gaines with SCPRT stated that the beauty of the escarpment, from an operational perspective, is it really provides some public access points. There is some flat property that parking can be established and help with providing access points to the Mountain Bridge which at the current time is at capacity. Mr. Gaines stated there are currently capacity issues both at Jones Gap and Caesars Head and this would open that up for more public access. Mr. Gaines stated PRT had worked with DNR in the Mountain Bridge area and PRT continues to provide hunting in the Mountain Bridge and PRT will continue to work with DNR in this respect as well as other recreational opportunities in this area and manage this as PRT does with the other trails in the Mountain Bridge area. Mr. Gaines stated PRT would work with DNR for hunting access.

Mr. Snow asked if the increase in the appraisal make the purchase price go up. Ms. Austin stated that TNC's purchase price is \$3.8 million and it is fixed and would stay the same. Mr. Snow asked if TNC had any problem in raising the rest of the money. Ms. Austin stated TNC was highly confident they could raise the funds as this area was such an iconic project. There has been great support behind this project so far. Mr. Snow asked how long TNC had before they had to close. Ms. Austin stated they were to close the summer of 2017 and that TNC plans to take out a loan if needed by the Open Space Institute. Mr. Harper stated that access is a huge issue as on any typical weekend that Jones Gap State Park is open there is a line of cars waiting to get into the Park and when one car comes out, another is ready to go in and this is how popular this area is and how high the demand is.

The Chairman called for a motion. Mr. Harper made the motion to accept staff's recommendation to fund the grant for \$2,000,000 in two payments of \$1,000,000 a year. Mr. Lane seconded and the motion unanimously passed.

14. **MillRho (Oak Grove II)** – This is a conservation easement on 1,164 acres in Allendale County submitted by The Nature Conservancy. The requested amount is \$291,000 which is \$250/acre. Mr. Davant stated this tract is in the SOLO Reserve and the request is for 35% of the CEV. It is part of the Savannah River Watershed and the Coosawhatchie Corridor and is located between those two rivers. There is 50' buffers and two historical cemeteries. It adjoins several other grants the Bank has already made and is a great way of expanding a core

area which is part of SOLO. It is a good value. Staff's recommendation is to fund the grant in the amount of \$291,000.

The Chairman called for any questions and there being none called for a motion from the Board. Ms. Clark made the motion to approve staff's recommendation to fund the grant for \$291,000 (\$250/acre). Mr. Snow seconded and the motion unanimously passed.

15. **Timberhaven (Thompson II) Tract** – This is a conservation easement on 516.6 acres in Saluda and Edgefield Counties submitted by Upper Savannah Land Trust. The requested amount is \$132,500. Mr. Davant stated there were very few grants in this particular area. The Land Trust is requesting 25% of the CEV. It is on Little Stevens Creek and adjacent to other protected lands. It is close to the Sumter National Forest and is part of the Long Cane Ranger Watershed District which we are not very familiar with. It is a typical timber and recreational tract and there is some proximity to areas up Long Cane Creek with endangered species. It would tie these additional lands together and there aren't many grants in the Saluda area. It is a good value at 25% of the CEV. Staff's recommendation is to fund the grant for \$132,500.

The Chairman called for any questions and there being none the Chairman called for a motion. Mr. Lane made the motion to approve staff's recommendation to fund the grant for \$132,500. Ms. Clark seconded and the motion unanimously passed.

## VII. GRANTS FOR RECONSIDERATION

16. **Riverside Farms** – The Chairman called for discussions. Mr. Cook stated he had talked with the landowner and they were in agreement to move ahead with the two payments. There may be some delays with the actual closing but the Land Trust and the Landowner would work through this process. Mr. Cook asked if the first funding would be in FY 2016 and the second in FY 2017. The Chairman stated the funding would be in FY 2017 and 2018 as we were already in the FY 2017. The Chairman called for a motion. Mr. Snow made a motion to approve staff's recommendation to fund the grant for \$1,200,000 to be paid in two payments of \$600,000 each. Mr. Lane seconded and the motion unanimously passed.

The Chairman stated the Board would be looking at the SC Battleground Preservation Trust Grants and the Board has looked at every grant and anyone whose applications had been completed could stay for the remainder of the meeting or were welcome to leave at this time.

17. **Harris Pillow Property; Kling Property; and Smooth Seas Property** – These are all fee simple purchases on three tracts consisting of 6.08, 3.73 and 2.36 acres each in Beaufort County submitted by the SC Battleground Preservation Trust (SCBPT). The requested amounts are \$227,963, \$125,000 and \$542,038. Mr. Davant deferred to Doug Bostick for the presentation. Mr. Bostick stated this is in an area where this is an ambitious project to preserve Revolutionary War sites in SC. The SCBPT only preserves military historic sites. SCBPT has partnered with the Civil War Trust out of Washington who are preserving Revolutionary War sites nationwide. The Civil War Trust has come to SCBPT to have the first push in SC because of SC's impact on the War under the premises that without SC arguably America might not have won the Revolutionary War. The SCBPT has started identifying Revolutionary War battlefields. This particular battlefield is the Battle of Port Royal Island. It was a battle in 1779 and is critically important for several reasons. It is the only battle during the entire American Revolution where two signers of the Declaration of Independence fought in the battle, Thomas Heyward and Edward Rutledge. Secondly, America particularly in SC was trying to win the war with militia. Over the seven years the war occurred in SC these militia troops improved their tactics and in this battle American's beat British Regulars which important for historians. Initially no one knew where the battlefield was and SCBPT had two archaeologists go in independently to try to find the footprint location of the actual battlefield. This tract is split by Hwy 21 going from Hwy 17 into Beaufort and part of the battlefield goes onto the property of the Marine Air Corps Station. Mr. Bostick stated the exact area of the battlefield has now been found, where the British stood, where the Patriots stood, where the open 200 yards in between. This is at the northern terminus of the Spanish Moss Trail which is something Beaufort has been working on for a long time.

Mr. Bostick stated the battlefield is made up of three tracts. Two which are undeveloped and on the Harris Pillow Tract the owner was willing to relocate his business if SCBPT purchases the property to preserve the battlefield. Ms. Clark asked what percentage of the three tracts is the actual battlefield. Mr. Bostick provided a map stating all three tracts were the battlegrounds. The Chairman asked if there was a national group stating this is absolutely the battleground or this is a good proximity. Mr. Bostick stated this project is now called the Liberty Trail and the partners are the Civil War Trust and a new venture launched "1776" and they are partnering with the National Parks Service. All partners have seen the artifacts scatter and the results of the archaeological survey and there are arterially shells in this area as well. Mr. Bostick stated the entire battlefield has been verified; the footprint of the British and the Americans is known.

Mr. Harper asked what the long term intent was, if the buildings were going to be torn down and develop an interpretative area. Mr. Bostick stated the Civil War Trust has already committed funding to remove the building and have committed interpretative funds. SCBPT and partners are working on smartphone and tablet apps for driving tour programs and will be marketed on a national basis. Mr. McShane stated the Ft. Fairlawn event would be the day after the Board meeting. Mr. Bostick stated SCBPT is asking for the Board's consideration of these three tracts and the Beaufort County Rural and Critical Lands Fund is willing to supply the other 50%.

The Chairman asked how many British and American soldiers were involved in this battle. Mr. Bostick stated about 300 British and slightly less Americans. Mr. Harper asked if SCBPT would be tying all these projects together and turn into some type of trail that would be a digital asset to the State's tourism. Mr. Bostick stated the objective is (1) preserve the Battlefield; (2) interpret it to the public; and (3) with the use of current technology market this to Heritage Tourism. The College of Charleston has been linked in and are preparing a new Technology Center on how the latest technologies can benefit a Liberal Arts education.

The Chairman stated there were two things working against these projects. First, the budget dollars are limited and secondly the Bank's reauthorization is a daily question. The Chairman asked Mr. Bostick how would you prioritize or rate these three tracts as to which you would want first, second and third. Mr. McShane asked why these properties were in three tracts and not just one tract. Mr. Bostick stated there were two landowners who own the three different tracts. Mr. Lane asked on the three applications SCBPT is requesting 50% of the funds from the Bank, which the Bank really doesn't have, and the other half is to come from Beaufort Critical Lands. Mr. McShane clarified that the Beaufort Critical Lands would provide the second half but is Beaufort Open Land Trust willing to help raise some funds or are they just your partner. Mr. Bostick stated on all properties someone would own them and someone would hold the conservation easement. In the three properties being discussed today in Port Royal it may be the SCBPT will own the property and Beaufort County Open Land Trust will hold the easement or vis-a-versa. The main interest is in getting the property preserved.

The Chairman stated if SCBPT had to rank the properties 1, 2, 3 in what order would you rank them, which one would you chose if you could get one or if you could get two which ones, in your importance. Mr. Bostick stated if only one was approved SCBPT would request the Kling Tract as the other two have the same property owner. The Harris Pillow Company won't sell one tract without the other. Mr. McShane stated he understood that the business was moving. Mr. Bostick stated that the landowner would move the business if he sold the business to SCBPT. Mr. McShane stated in the Beaufort Gazette the landowner for the Harris Pillow Tract was expanding his business and moving it to Parker Road. Mr. Bostick stated the landowner did purchase property on Parker Road but moving the company was dependent on selling the two tracts presented by SCBPT. Mr. Bostick stated if there were funds for two properties he would be forced to purchase the two Harris Pillow properties since they are the same landowner. Mr. McShane asked if the Kling Property is the 3.73 acres for \$125,000 and Mr. Bostick confirmed. Mr. McShane asked if the majority of the funds were for the southern two tracts and Mr. Bostick confirmed. Mr. McShane stated it appears the two Harris Pillow Company Tracts are about \$800,000 that SCBPT is seeking from the Conservation Bank Board and \$125,000 for the Kling Tract and Mr. Bostick confirmed. The Chairman asked if there was an option to get one of the Harris Pillow tracts without obtaining the other if funds were to come available.

The Chairman called for Mr. Davant to follow-up on his recommendations on the three tracts. Mr. Davant asked if it has been definitely determined this is actually the Battleground site. This is great history and all about what the Bank should be doing but there needs to be some confirmation that the Board is awarding funds

for the actual battle site or at least what's going to be accepted as the battle site. Second, Mr. Davant stated that most battle sites were out in the country in 1700s and are now in downtown Charleston, Beaufort or wherever and it changes relatively inexpensive land into expensive land. The major concern is that if the Bank Board funds all three projects the Board is currently saving money back from funding other grants and the bigger concern is with match funding, how long it will take to come up with the matching funds. Generally speaking the Washington Bureau of Battleground Trusts need to know, the Conservation Bank Board stated at its last meeting a six months to a year time frame to complete all required due diligence and after two years the grant application is gone and the applicant would have to reapply to the Board. Mr. Davant stated the concern is how long it will take to get the matching funds. The Bank doesn't want to be in the situation of holding funds for an extended period of time if the SCBPT doesn't think they can get the funds within the two years because if they can't the grant will be gone anyway. This poses the question, realistically can SCBPT get these match funds in some reasonable amount of time.

Mr. McShane stated that for clarity the match funds would be from Beaufort Critical Lands. Mr. Snow asked what time frame has SCBPT been told. Mr. Bostick stated the SCBPT was already in the process with the Beaufort Critical Lands Fund and he wouldn't bring a project before the Board if the SCBPT had to go looking for matching funds. If the SCBPT doesn't have the match they wouldn't present to the Bank for funding. Mr. Bostick stated that he could provide the Bank Board with an answer within 90 days regarding confirmation of the Beaufort Critical Land Funds match funding and the SCBPT would be ready to close. Mr. Bostick stated the Battle Map presented at the meeting had been endorsed by the National Parks Service and after reviewing the information submitted, determined this is the battlefield. The Civil War Trust has looked at the same material and agreed to that point. Mr. Bostick stated he could guarantee the Board as a writer, historian and Director for the SC Battleground Preservation Trust this is the correct site for the battlefield. It isn't speculative and there is no archaeology to be done it is complete and he would be glad to submit the data to the Board. Mr. Lane stated the Bank couldn't afford to fund all three projects and the question is, if the Bank funded the 3.73 acre tract would that create the momentum necessary to bring in more Beaufort County funds wherever as it may take a long time to put this together. Mr. Lane asked is that good enough or if SCBPT can't get all the funding should the Bank provide any funding. Mr. Snow stated, at the beginning of the meeting the Bank had \$5.4 million to spend and has already spent \$5 million roughly. Ms. Clark stated it was \$4.79 million. The Chairman stated the Bank would have \$1.3 million remaining based on the BEA projections with the grants the Board has already approved and Mr. Davant confirmed. The Chairman stated the next meeting would be in late spring with \$1.3 million left and if the Board commits to these three there is nothing left for the new applications submitted in January 2017. Mr. McShane stated his experience with the Beaufort Rural and Critical Lands group is they do not give the signal they will match if they are not prepared to put the money up and Mr. McShane was more confident of the Beaufort Rural and Critical Lands commitment than with the federal agencies. Mr. Bostick stated the Beaufort Rural and Critical Lands is attracted to this project because it dramatically enhances the Spanish Moss Trail and the Beaufort Critical Lands Funds hasn't done many cultural historical sites and this would add another dimension for them.

Mr. Snow stated that Mr. Davant had two specific questions and those had been answered by Mr. Bostick as to this area being the actual battlefield and that the Beaufort Rural and Critical Land would be providing match funding about 50%, what is staff's recommendation since the concerns have been addressed. Mr. Davant stated it was a matter of the dollars. Mr. McShane asked Mr. Bostick if the Board provided some funding and pursue the match funding for SCBPT tracts there would still be a gap if you don't get 100% of the requested amount. If there is an alternative source that could bridge the gap even if on a temporary basis would SCBPT be open to this. Mr. Bostick stated SCBPT is open to any way this project would work but if they only receive limited funding the Harris Pillow Company tract will disappear. Mr. Davant stated there are critical grants that are expected in the next filing period and if the Bank could fund one showing the Beaufort Co group showing the Bank is interested but just can't fund all at this particular point. Mr. Snow asked if the Rural & Critical Land group would come up with more than 50% of the funding and Mr. Bostick stated he was led to believe the Rural & Critical Lands group prefers to keep funding at 50%. Mr. Snow stated the Board has pushed as much as possible to squeeze as much money as the Bank could but unfortunately the Bank doesn't have enough money to fund all the projects. If the Board provided an amount would the SCBPT be willing to come up with the remaining match funds and Mr. Bostick stated they would make every effort. The Chairman stated the Kling tract could be considered now and when the Bank knows more about its' reauthorization and SCBPT could obtain some additional funding maybe the Board would consider funding the other tract.

The Chairman stated to move the process the Board would review the **Kling Property** separately for the \$125,000 requested amount, then consider the other tracts together after that. Mr. Snow had previously made the motion to approve the Kling tract for \$125,000. Mr. McShane seconded and the motion unanimously passed.

The Chairman called for a vote on the **Smooth Seas & Harris Pillow Tracts** together. The Chairman called for any questions or comments. Mr. Snow asked if the Board awarded \$200,000 could SCBPT work with obtaining the remaining funding and it would have a time limit on of 90-120 days that you could get back to the Board with a decision. Mr. McShane stated SCBPT would have to go back to Beaufort Rural & Critical Lands group. Mr. Bostick stated if the Board awarded some sum of money for the two tracts and if able to keep the Rural & Critical Lands at 50% of these two tracts then the SCBPT would go find funding for the balance. The Chairman stated other option would be to approve the Harris Pillow Property tract for \$227,000 and Mr. Bostick go back to the landowner that the Board doesn't have funding for both tracts and you can take it or not. Mr. Bostick stated he could provide a response back to the board in 90-120 days regarding the acceptance or decline of the offer. Mr. Snow made the motion to fund the 6.08 acres at \$227,963 on Harris Pillow Property tract with the stipulation the SC Battleground Preservation Trust has 120 days to notify the Bank Board if the landowner agrees to this. Mr. McShane seconded and the motion unanimously passed.

The Chairman asked for a motion on the **Smooth Seas Property Tract**. Mr. Lane made a motion to table the grant until the next Board meeting and there was no objection.

#### **VIII. BOARD MEMBER DISCUSSIONS**

The Chairman informed the Board and guests that the Chairman and Vice Chairman of the Board serve a two year term and the two years is up. Mr. Lane stated during this time while the Conservation Bank is up for reauthorization and the Legislative Audit that the Board keep the Chairman James W. Roquemore and Vice Chairman Michael G. McShane in place for another two years. Mr. Snow seconded and the motion unanimously passed.

The Chairman called for any additional comments from the Board or guests. Mr. Davant stated his appreciation for the Board's concern and commitment in getting things done relating to the Bank's reauthorization and the Legislative Audit and down the road everyone's support would be sought again. Once the Legislative Audit Council Report is received the plan is to get the Board back together to review the information and find the best answers and go forward from there. Mr. Harper asked once the LAC Report is received would it be advisable to have a conference call to review and Mr. Davant stated we could call a meeting of the Board members to address the issues or have an Executive Committee to work with staff in preparing the responses. The Chairman stated he appreciated everyone's willingness to help with responses but an Executive Committee could be appointed by the Chairman and Vice Chairman to work with staff. Mr. Harper asked if any Board members are approached by any media with questions and would prefer to have discussed the issues with other Board members. The Chairman stated the Board would react when the LAC Report addressing questions at hand and not create other unnecessary issues. The Chairman recommended technical questions be directed to Mr. Davant and let him be the spokesman for the Bank.

Mr. McShane stated according to Mr. Davant the statute requires that the Bank bi-annually update the Heirs Property in our state. The Chairman stated this was noted in the minutes.

#### **IX. TIME AND PLACE OF NEXT BOARD MEETING**

The Chairman called for a motion for the time and place for the next Board meeting. The Chairman asked would Thursday, May 4, 2017 at 10:00 a.m. at the Roquemore Auditorium, Orangeburg/Calhoun Technical College, Orangeburg, SC work and all members agreed.

#### **X. ADJOURN**

The Chairman called for a motion to adjourn. Mr. Harper made the motion to adjourn. Mr. Snow seconded and the motion unanimously passed.