

**MINUTES**  
**SOUTH CAROLINA CONSERVATION BANK**  
**Monday, September 30, 2019 – 10:00 am**  
**3<sup>rd</sup> Floor Conference Room**  
**1201 Main Street**  
**Columbia, SC 29201**

The South Carolina Conservation Bank Board (SCCB) held its regular meeting on Monday, September 30, 2019, at 10:00 am in the 3<sup>rd</sup> Floor Conference Room at 1201 Main Street, Columbia, SC 29201. 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 Michael McShane presided at the meeting and members present included Andrea Clark, Geordy Johnson, Charles Lane, Thomas Lavender, Curtis Spencer, Richie Wilhoit, Keith Williamson, and Larry Yonce; and Ex-Officio members Dr. Walt McPhail, SC Forestry Commission Chairman; Justin Hancock for Duane Parrish, Director for SCPRT, and Norman Pulliam, Chairman SCDNR Board. Member absent was Elliott Close.

**I. WELCOME AND CALL TO ORDER**

Michael McShane called the meeting to order, welcomed and thanked everyone for their attendance. Mr. McShane confirmed that proper public notice has been given for this meeting. Mr. McShane asked members of public to identify themselves and to register their presence by signing the sign-in sheet and welcomed members of the Attorney General's office as well as Sterling Moose, counsel with Haynsworth Sinkler Boyd. Mr. McShane recognized the departure of former Board member and Chairman, Doug Harper, due to the expiration of his term of appointment. Mr. McShane stated that Mr. Harper's leadership and passion for the Bank's mission will be missed and encouraged applicants, stakeholders, and other members of the public to reach out to him with a message of thanks for the role he played in shepherding the Bank through permanent reauthorization and the hiring of new Executive Director, Raleigh West. Mr. McShane stated that the Board would honor and recognize Mr. Harper at a future Board meeting.

**II. ROLL CALL**

Mr. McShane asked Ms. Larck to call roll of the Board Members. Ms. Larck called roll and a quorum was established with nine Board Members and three Ex-Officio in attendance. Mr. McShane again recognized the outstanding service of former Board member and Chairman, Mr. Doug Harper, and stated that he would be honored at the next scheduled board meeting.

**III. PUBLIC COMMENTS**

Mr. McShane opened the floor to anyone who would like to address to the Board. Doug Busby addressed the board with a request for consideration of a conservation easement grant application submitted for the January/February 2020 grant cycle. There being no further public comments, Mr. McShane called for the next agenda item.

**IV. ADOPTION OF MINUTES**

Mr. McShane stated the Board was sent a draft copy of the April 18, 2019, and June 11, 2019, minutes prior to the meeting for their review and that a copy was within the Board Member handouts. The Chairman asked for any additions, deletions, or corrections. There being none, the Chairman called for a motion to adopt the minutes from the 04/18/2019 meeting. Mr. Lane made the motion to approve the 04/18/2019 minutes. Mr. Lavender seconded and the motion unanimously passed. The Chairman then called for a motion to adopt the minutes from the 06/11/2019 meeting. Ms. Clark made the motion to approve the 06/11/2019 minutes. Mr. Williamson seconded, and the motion unanimously passed.

**IV. APPOINTMENT OF CHAIRMAN AND VICE-CHAIRMAN**

Following discussion regarding how best to fill the vacant Chairman position, Mr. Lane made a motion to appoint Mike McShane to serve as Chairman and Tommy Lavender as Vice-Chairman, for a two-year term.

Ms. Clark seconded, and the motion unanimously passed, with Mr. McShane and Mr. Lavender abstaining from voting.

## II. CHAIRMAN'S COMMENTS

The Chairman asked Mr. Pulliam to introduce new board member, Geordy Johnson. Mr. Johnson thanked Mr. Pulliam for the introduction and stated that it was an honor to be appointed to serve on this Board. Chairman McShane next asked Mr. West to update the board on staff changes in the office. Mr. West announced that Amber Larck received the well-deserved promotion from Business Manager to Grants Program Manager. Margaret Barnes Pennebaker has been hired to fulfill the duties of Ms. Larck's former position and act as Board Liaison. The Chairman then discussed committee importance and how the establishment of committees will help promote and sustain the mission of the bank. Chairman McShane asked Board members to give thought as to which committee they feel best suited for service at this time. Mr. Lane pointed out that the Grants Review Committee and Mapping Committee are mandated by state statute. Mr. Lavender made a Motion to authorize the Board Chairman to establish an Executive Committee and four subcommittees (Public Information, Mapping, Grants Review, and Finance); and to promulgate policies and procedures for each, which shall be reviewed and approved by the SCCB Board within FY 2020. Mr. Spencer seconded, and the motion passed unanimously. The Chairman then went on to report on the Board Member Orientation held on 09/25/2019. Minutes will be brought to next board meeting as there was a quorum of members present making the meeting a public session. The feedback from those in attendance has been extremely positive.

## VII. OLD BUSINESS

- A. **FINANCIAL REPORT** The Chairman asked Mr. West to present the current financial report. Mr. West highlighted the Bank's financial position outlined in materials included with the Board packet (Tab 4 of the Board packet) and pointed out that there is over \$10 million dollars available for grants this fiscal year. Chairman McShane updated the Board on the budget process for the upcoming fiscal year, stating that the Bank will be requesting approximately \$7.5 million in recurring funds and \$7.5 million in non-recurring funds (representing a slight increase in the recurring funds allotment). Ms. Clark clarified that the DNR allocation of \$3 million is over and above the planned \$15 million fund request and Mr. Pulliam confirmed that the operating budget is included in the recurring allotment. Mr. West then explained that the Bank also will be asking for a Proviso so that the Bank can carry forward recurring funds not spent during the fiscal year. This proviso will be an important tool to help the Bank close projects with timelines that do not mesh with the fiscal year as well and continue to attract competitive and strong projects consistent with the Bank's mission. Chairman McShane stated that this proviso would be helpful in carrying out the Bank's mission but that until it is approved, we must continue to operate as if this proviso does not exist.
- B. **REVIEW OF OUTSTANDING GRANTS** The Interim Chairman stated that SCCB has roughly \$2.5 million trust fund allotment to spend on an outstanding grants. This amount has been transferred into the Bank's budget in anticipation of funding the Boone Hall project, approved by the Board at the April 18, 2019 meeting. After discussion, Mr. Lane made the motion to approve the recommendation of the Grants Review Committee to approve the Boone Hall Plantation application of 598 acres in Charleston County at \$2,000,000 as described in the subject application. Ms. Clark seconded, and the motion unanimously passed. Mr. Bell of Lowcountry Land Trust stated that the project should close by 10/31/2019.

## VIII. NEW BUSINESS

Chairman McShane turned the floor over to Mr. West for the next agenda items. Mr. West outlined conditions which should be applicable to grants approved by today's actions as follows:

### **GENERAL GRANT CONDITIONS FOR GRANTS APPROVED 09/30/2019**

- a. *Timelines*
  - i. January 31, 2020: For projects that have not closed, applicants must submit a written status report describing the anticipated closing date, and material updates or changes to the project.
  - ii. May 31, 2020: All due diligence must be submitted and approved to the satisfaction of Bank staff.
  - iii. June 30, 2020: Project closing deadline.
- b. *Grant Agreements*: The Bank shall issue a Grant Agreement following the approval of the application that will include all terms and conditions of the award. The Grant Agreement must be signed and acknowledged by the applicant (as well as the landowner for conservation easements) and recorded on the deeds of all real estate subject to the grant concurrent with the closing of the transaction.
- c. *Escrow Agents*: All approved grant funds shall be disbursed to an escrow agent with an active vendor number for the acquisition of the interest in real-estate as set forth in the application. However, as an exception, if the grant award is used to retire a note associated with a bridge loan used to acquire the property, the Bank shall mail a check to the applicant, in which case the applicant shall provide a loan satisfaction letter along with all other closing documents to Bank staff within 30 days.
- d. *Closing Deadline*: All projects must close within 60 days of the release of Bank funds or by June 30, 2019, whichever is sooner.
- e. *Acreage Discrepancies*: If the interest in the protected property is reduced in acreage up to 10% as to that stated in the application, the Bank staff shall have the authority to reduce the award on a proportional per acre basis. However, a reduction of acreage exceeding 10% shall be deemed material and will render the original approval null and void.
- f. *Valuation Discrepancies*: If the property values stated in the application materially deviate from the final appraisal, the Bank Board reserves the right to require the applicant to resubmit the application for reconsideration with updated financials.
- g. *Management Plans*: For conservation easements, the requirement for applicants to submit management plans prior to closing may be satisfied by providing a copy of the baseline documentation report (BDR), provided the BDR includes a description of how the property will be managed to protect the conservation values of the property.

Mr. Lavender made the motion to approve the above-described as conditions to all grants approved at this September 30, 2019, SCCB Board meeting. Mr. Lane seconded the motion. There being no discussion, Chairman McShane called for a vote and the motion passed unanimously.

Mr. West then explained the need for clear requirements regarding appraisals and title commitment for future grants. Following this discussion, Mr. Lane moved to require all future applications to include a title commitment and a preliminary appraisal with sufficient information, methodology and analysis to support the preliminary fair market value and draft title commitment. Mr. Johnson seconded, and the motion passed unanimously.

### **DEFERRED PROJECTS**

Next, the Chairman asked Mr. West to discuss NRCS and ACEP partnerships. Mr. West explained that one of the key metrics for success of the Bank is in the ability to apply for matching federal funds for projects. The ACEP, in conjunction with NRCS, is an underutilized fund due to challenges with timelines. The ACEP fund is generally a two-year process, but the Bank is statutorily required to approve and disburse funding within one fiscal year. Mr. West outlined a policy that would reconcile and streamline the timing issues in order to secure the federal match. The recommended policy is as follows:

- 1) As a matter of policy, the Bank supports providing the 25% non-federal share required for the ACEP program, provided the proposal otherwise ranks highly in the Bank's scoring process;
- 2) Bank staff will be authorized to write a letter of support for projects deemed to be competitive for federal match, and to coordinate with the applicants and NRCS staff on all timing and budgetary matters in order to ensure compliance with governing statutes and regulations; and
- 3) The Bank will defer considering applications using ACEP funds until the applicant can determine a final closing date.

Mr. West explained that this policy recommendation is NOT a binding approval of these projects. Any authorized allocation of Bank funds must be approved by the Bank Board. Mr. West stated that there are 5 projects in this application cycle that would be competitive for federal match and relevant to the proposed policy:

- 1) Lowie Property (submitted by Oconee SWCD)
- 2) Moore Farm (submitted by Oconee SWCD)
- 3) Blackwell Farm (submitted by Upstate Forever)
- 4) Stonestrow (submitted by Upstate Forever)
- 5) Whetstone Creek Preserve (submitted by Naturaland Trust)

Mr. Lane made the motion to adopt these policies and timelines as Bank procedure for projects deemed by the Grants Review Committee as complimentary to the USDA-NRCS Agricultural Conservation Easement Program. Approval of projects by the Bank Board will be deferred. Mr. Lavender seconded the motion. Mr. Lane reiterated that the project applicant must submit application in order for the Bank to consider evaluating the project for this program, once a closing deadline can be determined. After discussion, the Chairman called for a vote and the motion passed unanimously.

#### **OTHER DEFERRALS**

At the request of the applicants, the Grants Review Committee recommended deferring the following projects to a later Board Meeting: Newman Tract (Naturaland Trust) and Millgrove Plantation Tract (Lowcountry Land Trust). Bank staff will work with applicants to clarify timing, potential match, funding, acreage, or deal structure. Mr. Lane made a motion to accept the request of the applicant to defer their application without prejudice until a future Board meeting. Ms. Clark seconded, and the motion passed unanimously.

#### **APPROVALS**

Before Mr. West presented the applications for consideration at today's meeting, Chairman McShane reminded Board members of their responsibility to disclose any potential conflict of interest and recuse themselves from voting on actions when a potential conflict of interest exists. The Chairman then turned the floor over to Mr. West to present the current project applications to the Board:

#### **Roxbury Park Phase II**

The Town of Meggett submitted an application for \$141,000 to acquire 55.8 acres in fee simple in Charleston County. The Grants Review Committee recommended funding this project at \$141,000. Tom Hutto spoke in favor of the project. Chairman McShane moved to approve the recommendation, Mr. Johnson seconded, and the motion passed unanimously.

#### **Henry Farms North**

Beaufort County Open Land Trust submitted an application for \$325,000 to acquire 101 acres in fee simple in Beaufort County. The Grants Review Committee recommended funding this project at \$325,000. Barbara Holmes from Beaufort County Open Land Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Mr. Lavender seconded, and the motion passed unanimously.

### **Saluda Rivers Connector Phase II**

Naturaland Trust submitted an application for \$500,000 to acquire 181 acres in fee simple in Greenville County. The Grants Review Committee recommended funding this project at \$500,000. Mac Stone from Naturaland Trust spoke in support of the project and noted that he had applied for Forest Legacy funding. Mr. Lane recommended approving the project with the notation that Naturaland Trust return the funds to the Bank if the Forest Legacy grant is successful. Chairman McShane moved to approve the recommendation, Ms. Clark seconded, and the motion passed unanimously.

### **McKinney Creek Oconee Bell Preserve**

Naturaland Trust submitted an application for \$450,000 to acquire 193 acres in fee simple in Greenville County. The Grants Review Committee recommended funding this project at \$450,000. Mac Stone from the Naturaland Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Mr. Williamson seconded, and the motion passed unanimously.

### **Kingstree Waterfront Park**

Pee Dee Land Trust submitted an application for \$25,000 to acquire 2.9 acres in fee simple in Williamsburg County. Mr. Williamson recused himself from voting due to a potential conflict of interest. The Grants Review Committee recommended funding this project at \$25,000. Lyles Cooper Lyles from Pee Dee Land Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Mr. Spencer seconded, and the motion passed unanimously.

### **Henry Farm Land's End**

Beaufort County Open Land Trust submitted an application for \$150,000 to acquire 617 acres conservation easement in Beaufort County. The Grants Review Committee recommended funding this project at \$150,000. Barbara Holmes from Beaufort County Open Land Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Ms. Clark seconded, and the motion passed unanimously.

### **Boones Creek Oconee Bell Preserve**

Naturaland Trust submitted an application for \$200,000 to acquire 40 acres in fee simple in Oconee County. The Grants Review Committee recommended funding this project at \$200,000. Mac Stone from Naturaland Trust spoke in favor of the project, explaining that Naturaland Trust will be the long-term steward, and the property would be open to the public. Chairman McShane moved to approve the recommendation, Ms. Clark seconded, and the motion passed unanimously.

### **Scotland Road Tract**

Pee Dee Land Trust submitted an application for \$65,000 to acquire 95 acres in fee simple in Dillon County. Mr. Williamson recused himself from voting on this project due to a potential conflict of interest. The Grants Review Committee recommended funding this project at \$65,000. Seth Cook with Pee Dee Land Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Mr. Spencer seconded, and the motion passed unanimously.

### **Battle of Hanging Rock – Horton**

SC Battleground Preservation Trust submitted an application for \$157,500 to acquire 30.84 acres in fee simple in Lancaster County. The Grants Review Committee recommended funding this project at \$157,500. Doug Bostick with the SC Battleground Preservation Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Mr. Spencer seconded, and the motion passed unanimously.

### **Dawn Plantation**

Lowcountry Land Trust submitted an application for \$313,650 to acquire 731 acres conservation easement in Colleton County. The Grants Review Committee recommended funding this project at \$313,650. Josh Bell with Lowcountry Land Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Mr. Johnson seconded, and the motion passed unanimously. Prior to the recommendation, Chairman McShane disclosed past relationship as a board member of the Lowcountry Land Trust but stated that no conflict of interest exists as he is not a voting member of Lowcountry Land Trust.

**Watson Farm**

Pee Dee Land Trust submitted an application for \$235,000 to acquire 701.75 acres conservation easement in Williamsburg County. Mr. Williamson recused himself from voting on this project due to a potential conflict of interest. The Grants Review Committee recommended funding this project at \$235,000. Seth Cook of Pee Dee Land Trust and Mary Crockett of Congaree Land Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Ms. Clark seconded, and the motion passed unanimously.

**S. Tyger River Blueways Tract**

Spartanburg Area Conservancy submitted an application for \$140,000 to acquire 50 acres conservation easement in Spartanburg County. The Grants Review Committee recommended funding this project at \$140,000. Andrew Waters from Spartanburg Area Conservancy spoke in support of the project and thanked the landowner, Lisa Cooley Scott, who was in attendance. Chairman McShane moved to approve the recommendation, Mr. Johnson seconded, and the motion passed unanimously.

**Samworth Farms - McTeer Tract**

Georgetown County submitted an application for \$200,000 to acquire 39.23 acres in fee simple in Georgetown County. The Grants Review Committee recommended funding this project at \$180,000. Chairman McShane moved to approve the recommendation, Mr. Spencer seconded, and the motion passed unanimously.

**Saluda Rivers Gorge**

Naturaland Trust submitted an application for \$670,000 to acquire 225 acres in fee simple in Greenville County. The Grants Review Committee recommended funding this project at \$570,000. Mac Stone of Naturaland Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Ms. Clark seconded, and the motion passed unanimously.

**Jones Gap Access Tract**

Naturaland Trust submitted an application for \$450,000 to acquire 97 acres in fee simple in Greenville County. The Grants Review Committee recommended funding this project at \$225,000. Justin Hancock from PRT and Mac Stone from Naturaland Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Mr. Williamson seconded, and the motion passed unanimously. During discussion, the topic of the Bank's statutory authority to issue short-term loans was raised. In order to guide the Board about this issue and concisely establish the Bank's procedure on this portion of the code, Mr. Lavender directed Mr. West to research the matter for Executive Committee review.

**Sanctuary Timberlands Tracts**

Congaree Land Trust submitted an application for \$90,962.50 to acquire 363.85 acres conservation easement in Fairfield County. The Grants Review Committee recommended funding this project at \$90,962.50. Mary Crockett from Congaree Land Trust spoke in favor of the project. Chairman McShane moved to approve the recommendation, Ms. Clark seconded, and the motion passed unanimously.

**Mariwill Timber Plantation**

Congaree Land Trust submitted an application for \$297,375 to acquire 1,189.50 acres conservation easement in Fairfield County. The Grants Review Committee recommended approving this project at \$297,375. Mary Crockett of Congaree Land Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Mr. Yonce seconded, and the motion passed unanimously.

**Grant Meadow Addition**

Upstate Forever submitted an application for \$70,000 to acquire 21.01 acres conservation easement in Pickens County. The Grants Review Committee recommended funding this project at \$65,000. Scott Park of Upstate Forever spoke in support of the project. Chairman McShane moved to approve the recommendation, Ms. Clark seconded, and the motion passed unanimously.

**Wild Turkey Creek Tract**

Congaree Land Trust submitted an application for \$74,232 to acquire 329.92 acres conservation easement in Barnwell County. The Grants Review Committee recommended funding this project at \$74,232. Mary Crockett from Congaree Land Trust spoke in support of the project. Chairman McShane moved to approve the recommendation, Mr. Williamson seconded, and the motion passed unanimously.

**Rogers Family Farm**

Pee Dee Land Trust submitted an application for \$100,000 to acquire 498.8 acres conservation easement in Marlboro County. Mr. Williamson recused himself from voting due to a potential conflict of interest. The Grants Review Committee recommended funding this project at \$100,000. Seth Cook from Pee Dee Land Trust spoke in favor of the project. Chairman McShane moved to approve the recommendation, Ms. Clark seconded, and the motion passed unanimously.

**DECLINES**

Chairman McShane made a motion to decline the applications submitted on the Carter and Lyles properties with an invitation to resubmit. Mr. Williamson seconded, and the motion passed unanimously.

**CHAIRMAN’S COMMENTS**

Chairman McShane stated that today’s approvals represent a nearly balanced percentage between fee-simple projects and conservation easement projects. When factoring in the Boone Hall project, the balance is even. Ms. Clark stated that cost per acre values of today’s approved applications average \$772 per acre, which is another strong indicator of the importance of leveraging in considering Bank funding of projects. Mr. West further emphasized that these bargain sale values mean that the Bank gets approximately \$3 in match value for the state for every \$1 the Bank expends in grant funding. Chairman McShane stated that today’s funding, including Boone Hall, totaled \$6,299,719, leaving just under \$6 million available for Board approved project funding in this fiscal year. The next application deadline is 01/31/2020.

**VI. BOARD MEMBER OPEN DISCUSSION**

The Chairman opened the floor for Board member’s comments. Mr. McPhail expressed appreciation for the orientation session. Mr. Williamson concurred and stated that he was also pleased with the number of waterways included in projects approved today. Ms. Clark feels that the process is moving efficiently, Mr. Johnson stated that he is pleased to be a part of this important agency and is impressed with the quality of applications and the lands conserved today. Mr. West concurred and thanked the applicants for their quality applications and hard work in bringing sound projects to the Bank. Josh Bell thanked everyone for the support on the Boone Hall project. Tom Hutto reiterated importance of Bank in the Boone Hall protection. The Chairman recognized Director West; thanked him for joining the staff and congratulated him on a successful transition to public service.

**VII. TIME AND PLACE OF NEXT MEETING**

The Chairman stated that the next meeting will be December 4<sup>th</sup>, 2019. Location TBD

**VIII. ADJOURN**

There being no further business, the Chairman called for a motion to adjourn. Mr. Yonce made the motion to adjourn, Ms. Clark seconded, and the motion unanimously passed.