

MINUTES

SOUTH CAROLINA CONSERVATION BANK

Wednesday, December 4, 2019 – 11:00 am
217 Fort Johnson Rd.
Charleston, SC 29412

The South Carolina Conservation Bank Board (SCCB) held a quarterly meeting on Wednesday, December 4, 2019 at 11:00 am at 217 Fort Johnson Rd., Charleston, SC 29412. 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 Thomas Lavender, Vice-Chairman, Andrea Clark, Geordy Johnson, Charles Lane, Curtis Spencer, Richmond Wilhoit, Jr., Keith Williamson ; and Ex-Officio members Russell Hubright for Dr. Walt McPhail, SC Forestry Commission Chairman; Justin Hancock for Duane Parrish, Director for SCPRT, and Norman F. Pulliam, Chairman SCDNR Board Members absent were Elliott Close, Brent McLaurin, and Larry L. Yonce.

1) WELCOME AND CALL TO ORDER

Chairman McShane called the meeting to order, welcomed everyone and thanked everyone for their attendance. The Chairman gave an introduction of new Board member Brent McLaurin, who was unable to attend the meeting due to a professional scheduling conflict. Curtis Spencer spoke highly of Dr. McLaurin, and Chairman McShane extended a welcome to Dr. McLaurin on behalf of the Board, stating that the Board looks forward to working with him. Next, Chairman McShane asked Mr. West to introduce USC law student Heath Owen, who will begin a semester long externship in January.

2) ROLL CALL

Chairman McShane asked Ms. Larck to call role of the Board Members. Ms. Larck called role and a quorum was established with 8 Board Members and 3 Ex-Officio members in attendance. Chairman McShane stated that proper public notice had been given for the meeting.

3) PUBLIC COMMENTS

Mr. McShane opened the floor to anyone who would like to address to the Board. Ashley Demosthenes of Lowcountry Land Trust thanked the Board for the outstanding support of the Boone Hall easement which closed and was celebrated last month. She also expressed appreciation for the work Director West has already accomplished since joining SCCB in June. Chairman McShane thanked Lowcountry Land Trust and Charleston County for their work on the Boone Hall project. There being no further public comments, Mr. McShane called for the next agenda item.

4) ADOPTION OF MINUTES

Mr. McShane stated the Board was sent a draft copy of the September 25, 2019 Orientation Special Purpose and September 30, 2019 Quarterly Meeting 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 09/25/2019 meeting. Mr. Lane made the motion to approve the 09/25/2019 minutes. Mr. Lavender seconded and the motion unanimously passed. The Chairman then called for a motion to adopt the minutes from the 09/30/2019 meeting. Ms. Clark made the motion to approve the 09/30/2019 minutes. Mr. Williamson seconded, and the motion unanimously passed.

5) CHAIRMAN'S COMMENTS

Chairman McShane began his comments with a thanks to the Board and staff for the work they do and the support he has been given in the short time he has been serving as Chairman. He is excited for the future of the Bank and the importance of the work we will accomplish. Next, he informed the Board that former Board Chairman Doug Harper was unable to attend the meeting, and that Chairman McShane will present the gift acquired to honor Mr. Harper sometime in the near future.

6) OLD BUSINESS

Chairman McShane asked Mr. West to update the Board on the status of Cycle 1 Approved Projects: Four projects have closed (see Board packet), 16 projects are slated to be closed, and one project has withdrawn. Next, the Chairman asked Mr. West to deliver the Financial Report (see Board packet). The Chairman summarized by saying that SCCB has just under \$6 million available for grants, with the next application deadline January 31, 2020. Mr. Lavender confirmed the tight timeline presented by Jan 31st application deadline with projects needing to be closed by June 30th. Chairman asked Mr. Lavender to take lead on looking at remediation of this tight timeline issue. Mr. West asked the SC Land Trust Network to encourage land trusts to schedule site visits for pending projects as soon as possible. Chairman McShane next updated the Board on the status of a settlement with Georgia Ports Authority entered into several years ago which awarded a total of \$15 million dollars to three entities (SCCB, SCDNR, Ducks Unlimited). The Award will be distributed in increments of \$1 million per entity per year over a 5 year period for the purpose of conservation in the Savannah River Basin below the dam. The triggering event releasing the first \$1 million distribution to SCCB is likely to occur soon. Chairman McShane asks members of the Board to work with their colleagues at DNR and Ducks Unlimited regarding the best utilization of these monies in the most impactful manner.

7) NEW BUSINESS

a) Board Calendar

Chairman McShane informed members of meeting dates for 2020 quarterly Board meetings: February 19 (which will trigger the Grants Review Committee meeting on February 12), May 20, September 9, December 2. The February and September meetings will take place in Columbia, and the locations for the May and December meetings is tbd.

b) Legislative Budget

Chairman McShane stated that the House Budget Hearing for next fiscal year's funding requests will be announced soon and will likely take place in late January or early February. The Senate hearing will be later in the Spring. SCCB requested a total of \$15 million dollars for programming, i.e. funds available for grant applications and outside of normal SCCB operating expenses and grant to SCDNR. The request is broken out into \$7.5 million in recurring funds and \$7.5 million in non-recurring funds. The Finance Committee will meet prior to the hearing and is asked to make effort to be present at the hearing when it takes place. Additionally, SCCB is requesting a proviso to be able to carry forward recurring dollars that are not spent during the fiscal year. The proviso, if granted, will only be used for special circumstances and SCCB will try to avoid carrying forward recurring funds.

c) Review of Pending Applications

Jones Gap Access Tract

Jones Gap Access Tract. Mr. Lavender reported that GRC met and is making a recommendation to approve a reimbursable grant in the amount of \$280,000 to Naturaland Trust to acquire the Jones Gap Access Tract. Justin Hancock of SCPRT and Mac Stone of Naturaland Trust spoke in favor of the project. Mr. West outlined the details of the project, explaining that the timing of the Land and Water Conservation Fund (LWCF) application does not sync with the timeline of the project for closing. This reimbursable grant will not

interfere with or compromise the LWCF application. After discussion, Mr. Lavender stated that the Grants Review Committee recommendation is to approve a reimbursable grant in the amount of \$280,000 to Naturaland Trust to acquire the Jones Gap Access Tract, totaling 97 acres in Greenville County ("Grant Award"). This Grant Award shall be specifically contingent on Naturaland Trust pursuing, with best efforts and haste, and in partnership with SC Department of Parks Recreation & Tourism, a grant from the Land and Water Conservation Fund (LWCF). If approved, Naturaland Trust will reimburse the full Grant Award to the Bank immediately upon receipt. However, in the event that the federal government does not approve the LWCF grant application, the Bank will only request that the applicant reimburse \$55,000 of the Grant Award. The motion passed unanimously.

Henry Farms North

Mr. Lane stated the GRC received the Beaufort County Open Land Trust's request to amend the original application for the Henry Farms North project to show that the property is now 87.94 acres (a reduction of 13.06 acres from the original application) and an updated appraisal showing the property's Fair Market Value to be \$815,000 (an increase of \$165,000 from original application). The Grants Review Committee has spoken favorably about supporting the applicant's conservation mission on St. Helena Island and, more specifically, their collaboration with the Center for Heirs' Property Preservation. Nevertheless, the Committee requests an opportunity to question the applicant and the Center about the history of this project and the future for the property before making a final recommendation to the Board. Mr. West updated the Board on the project details, the timing issues presented by a tight closing deadline and the necessary steps Beaufort County Council needs to take to partner in the project. Kristen Williams of Beaufort County Open Land Trust, Jennie Stephens of the Center for Heirs' Property Preservation, and Beaufort County Councilman York Glover, Sr. spoke in favor of the project and answered questions of Board members. After discussion, Mr. Lane made a motion to approve an additional \$325,000 conditional grant to Beaufort County Open Land Trust to acquire the Henry Farms North property totaling 87.94 acres in Beaufort County ("Grant Award"). This Grant Award shall be specifically conditioned upon continued efforts by the applicant to seek approval and partnership with Beaufort County. Failing such partnership with Beaufort County Beaufort County Open Land Trust shall refund \$100,000 of this conditional grant to SCCB (with SCCB forgiving \$225,000 of the \$325,000 conditional grant). Mr. Lavender amended to motion to include an 18-month time limit for completion of the funding partnership with Beaufort County. Mr. Spencer seconded the motion, and the motion passed unanimously.

d) Policies and Procedures

A Draft of SCCB Policies and Procedures was distributed to Board Members in their Board Packets. Chairman McShane asked Board members to review the policies and direct any questions to Director West by December 20th. These Policies and Procedures will become effective on January 1, 2020. Mr. Lane confirmed that the Bank does not currently have a policy on making loans to qualified entities, and the Chairman directed Mr. West to work with outside counsel on developing a template policy for this purpose.

8) BOARD MEMBER OPEN DISCUSSION

The Chairman invited Board members and staff to make any comments. Director West thanked all the applicants for their work on these applications and also applauded the Board for establishing the reimbursable grant concept. Chairman McShane invited all Board members to the 30th Celebration of the ACE Basin Task Force, which will take place on Sunday, December 8, 2020.

9) TIME AND PLACE OF NEXT MEETING

The Chairman stated that the next Board meeting will be on Wednesday, February 19th at 10:00am in Columbia, SC. Exact location to be announced at a later date.

10) ADJOURN

The Chairman called for a motion to adjourn. Mr. Lane made the motion, Mr. Lavender seconded, and the motion passed unanimously.

