CLARKE COUNTY

Conservation Easement Authority THURSDAY – 17 JANUARY 2019 - 11:00 am Millwood Country Club, 340 Country Club Lane, Millwood, VA 22646 AGENDA

- 1. Call to Order staff
- 2. Election of Officers
 - a. Chair (currently Randy Buckley)
 - b. Vice Chair (currently George Ohrstrom)
 - c. Secretary/Treasurer (currently Pete Engel)
- 3. Approval of Agenda
- 4. Approval of Minutes of the meetings of 15 November 2018
- 5. Bank Account balances
- 6. Campaign for the Authority
- 7. Summary of Accomplishments 15 year report
- 8. Adjournment to annual awards luncheon
 - next meeting Thursday February 15th 10 am

CLARKE COUNTY

Conservation Easement Authority ft Minutes – 15 November 2018 draft

A regular meeting of the Conservation Easement Authority was held at 10:00 am on Thursday, 15 November 2018, in the A/B conference room, 2nd Floor Government Center.

Present:

M. Jones, R. Bacon, W. Thomas R. Buckley,

Absent:

G. Ohrstrom, B. Byrd, P. Engel

Staff:

A. Teetor

Other:

R. Couch-Cardillo

Agenda On motion of Ms. Jones, seconded by Ms. Bacon, the Authority unanimously approved the agenda.

Minutes On motion of Ms. Jones, seconded by Ms. Bacon, the Authority unanimously voted to approve the minutes of October 18, 2018.

Bank Account: Ms. Teetor reviewed the financial spreadsheets. Current fund balances show a total fund balance of \$294,428 consisting of \$63,443 in the donations account, \$159,028 in stewardship, and \$71,958 in local funds. The stewardship account increased \$44,759 due the annual distribution of funds from the Virginia Land Conservation Foundation. Expenses included title work for Randy Sprouse.

Public Relations: Ms. Cardillo reported that this is the time of year where donations are the strongest, the total to date is \$13,340 from 93 donors. She stated that the fall newsletter had been mailed and donations are starting to come in. She also reported that she has ordered new packs of gift cards with three categories; winter, flora and fauna. The year-end appeal will go out after Thanksgiving, this usually generates the most donations of all the fundraising efforts. Ms. Cardillo also asked members if they had given additional thought to a recipient for the Conservation award. Mr. Buckley suggested that Joe and Denise Sipe might be a good choice. Members agreed and Ms. Teetor will ask them if they are able to attend the award luncheon to be held on January 17th at 12:00 pm at the Millwood Country Club. Ms. Cardillo also stated that she continues to update the website.

Easement Donation/Purchase

- a. Cabell Williams has requested an amendment to the deed of easement so as to allow boundary line adjustments between his two eased properties without Authority review and approval. Ms. Teetor provided information on VOF's template, which does not include a section on Boundary line adjustments. Mr. Williams would still have to abide by zoning ordinance requirements. After discussion, Ms. Jones suggested that the paragraph include language that would state that the BLA must abide by current zoning regulations. On motion of Ms. Thomas, seconded by Ms. Bacon, members approved the proposed change with the language suggested by Ms. Jones.
- b. Don & Mary Shockey Mr. and Mrs. Shockey have requested approval for the following increases in the allowable structure size for structures:

TM#13-A-29-1) an increase in the tenant house size from 2,000 square feet to 2,500 square feet. There are 2 DURs remaining for the proposed tenant houses. The tenant houses are to be located within the

building envelopes identified on Exhibit B; 2) the ability to construct agricultural building such as hay storage and indoor riding arena such that no individual structure may exceed 15,000 square feet with a maximum aggregate of 25,000 square feet. On motion of Ms. Thomas seconded by Ms. Bacon members approved the request stating that due to the size of the parcel and the lack of visibility from adjacent properties would allow for an increase in structure size without compromising the scenic and other conservation values of the easement.

TM# 22-A-5A - 1) A pre-approval of a building envelope as shown on Exhibit B for a primary dwelling up to 10,000 square feet; 2) The ability to construct agricultural buildings such as hay storage and an indoor riding arena such that no individual structure may exceed 15,000 square feet with a maximum aggregate of 20,000 square feet of agricultural buildings per parcel. 3) an increase in the tenant house size from 2,000 square feet to 2,500 square feet. There are 5 existing tenant houses. There is no restriction on where the tenant houses are to be located other than there are large building restriction areas along both Summerville and Annfield Roads. On motion of Ms. Bacon, seconded by Ms. Jones, members approved the request stating that due to the size of the parcel and the lack of visibility from adjacent properties would allow for an increase in structure size without compromising the scenic and other conservation values of the easement.

TM# 22-A-2 - 1) an increase in the agricultural building size from 4,500 sq. ft. to 8,000 sq. feet with a maximum aggregate of 10,000 sq. ft.. Total square footage of all structures cannot exceed 15,000 sq. ft. 2) That an access easement be granted through this property to 22-A-5A. On motion of Ms. Jones, seconded by Ms. Thomas, members approved the request stating the lack of visibility from adjacent properties would allow for an increase in structure size without compromising the scenic and other conservation values of the easement.

- c. Randy Sprouse applied to the easement authority for approval of an easement DUR purchase. Staff stated that the closing is expected December 3rd.
- d. Paula Cross Jenkins new application for a DUR purchase. Ms. Teetor reported that Ms. Jenkins had contacted her yesterday and asked to be placed on the agenda for consideration of a DUR purchase for the 1 remaining DUR located on the parcel identified by Tax Map# 16-A-58. It consists of 34 acres with 1 existing pre-1980 house and 1 DUR. The property is located at 3522 Wickliffe Road approximately 3 ½ miles east of the intersection with Shepherds Mill Road. The property is e applicant proposes to retire the remaining DUR. The property meets 3 of the 4 criteria. The property resource score is 56. The applicant is retiring 1 DUR. It is adjacent to an existing easement and it is less than 40 acres. Points were given for retiring 1 DUR, having frontage on existing eased properties, and being owned by the same family since 1984. On motion of Ms. Thomas, seconded by Ms. Bacon members gave preliminary approval for the DUR purchase and asked staff to schedule a site visit. Ms. Jones abstained.

Adjou	rnment	There being n	o further busi	iness, Ms.	Jones moved	l and Ms.	Bacon sec	conded t	that the
Autho	rity adjou	ırn the meetin	g. The next r	neeting is	scheduled fo	r Thursda	y Decemb	oer 20 th 2	at 10:00
am. T	he motio	on was approv	ed unanimous	sly.					

Randy Buckley, Chair	Alison Teetor, Clerk to the Authority

Through 01/10/2019 Fund 235 - Conservation Easement Balances

FY2019

	Total Fund Balance	Donations	Stewardship Account	Local Funds	
SOY FY19 - FY18 Not Final yet	261,273	70,443	116,526	74,304	
Fiscal Year 2019					
July Rev/AR		220	85		
July Exps/AP		-1,115	0	0	
Aug Rev/AR		125	85		
Aug Exps/AP		-1,200	-2,220	0	
Sept Rev/AR		1,300			
Sept Exps/AP		-6,242	-207	0	
Oct Rev/AR		2,760	120		
Oct Exps/AP		-2,038	0	-2,019	
Nov Rev/AR		1,450	44,759	THE PERSON NAMED IN	Brenda Bennett:
Nov Exps/AP		-2,618	-11,894	-65,620	Accts Rec-VDACS-Sprouse=30,396
Dec Rev/AR		10,825		32,987	Land Use Kollback Lax=2,590.56
Dec Exps/AP		-3,013	0	-309	
Jan Rev/AR		6,175			
Jan Exps/AP		-13	0	0	
YTD Rev/AR	100.890	22.855	45.049	32.987	
YTD Exps/AP	98,507	16,239	14,321	67,948	
Adjustments	0				VDACS
YTD FUND BALANCE (AR & AP)	263,656	650,77	147,254	39,343	86,950.00 Expires 12/31/2018 (FY2017)
				I,	61,615.23 Expires 12/31/2019 (FY2018)
Anticipated Easement Closings: Randy Sprouse-CLOSED-Actual Exps above					148,505.23 -30,396.00
Opequon Cattle Company - Estimated		-35,000		-17,938	-52,938.00 estimated
ESTIMATED YTD FUND BALANCE	210,718	42,059	147,254	21,405	65,231.23 AVAILABLE Estimated YTD BALANCE-VDACS
				Clarke County: includes expense	Clarke County: includes expenses not specifically
FY19 Expenditure Appropriations	Local Funds/Donations	Artual Expenses	Appropriated Balance	designated to an stewardship and	designated to an easement (including stewardship and monthly Hall, Monahan
General Expenses	45,000	37,715	7,285		
Randy Sprouse	000'09	60,792	-792		
Opequon Cattle Company	52,938				
	157,938	98,507	6,493		

Through Jan. 10, 2019 Conservation Easement Expense Detail - FY19

Conservation	Conservation Easement Expense Detail - FY19 Donations	Stewardship	Local Funds
<u> </u>	25 Downstream Pjt = Domain name renewal CEA 90 Clarke County Ruritan Club 1,000.00 CCHS -Program Ad, Athletic Dept		
10.00	1,115.00		0.00
August	800.00 Robin Couch Cardillo - Svcs for July 400.00 Clarke County Fair - Sponsorship/Pig Scramble	1,000.00 Robert Bayne Gordon-inspections 1,000.00 Sophia Dorsey-inspections	ions
	1.200.00	220.18 Robert Bayne Gordon-mileage 2.20.18	0.00
Sept	1,440.00 Robin Couch Cardillo - Svcs for CEA photo contest 1,800.00 Ace Photo-Gift Certificates for photo contest 500.00 Gloria Marconi Illustration & Design	206.99 Sophia Dorsey-mileage	
	136.00 Winchester Printers-CEA Banner 411.31 Winchester Printers-process mailing and postage 120.00 Winchester Printers-reception invite		
	1,084.53 Winchester Printers-Summer 2018 newsletter 6,241.84	206.99	0.00
<u>Oct</u>	1,587.79 Robin Couch Cardillo - CEA Services 450.00 Gloria Marconi Illustration-Fall '18 Newsltr		175.00 Samuel D Shumate-Title Exam 1,694.00 Winchester Title Co-Title Exam
	2,037.79	0.00	2,019.00 John K Friant- little Search
Nov	960.00 Robin Couch Cardillo-CEA Services 811.07 BMS Direct 846.61 BB&T-Planning signs & Josephine School	11,894.00 UVA - Comm Svcs Study	327.50 Hall, Monahan, Engle-Legal Svcs Nov '18 4,500.00 Appraisal Rpt-Opequon Cattle Co 60,792.00 CE purchase - Henry Sprouse
Dec	200.00 Gloria Marconi Illustration-2018 year end 505.00 Winchester Printers-CEA Notecards		309.00 Winchester Title Co-Sprouse
	905.50 Robin Couch Cardillo-Yr End appeal Itr & thnk you 560.00 Robin Couch Cardillo-CEA Services 842.88 Winchester Printers-2018 Annual appeal Itr 3.013.38	0	309.00
Jan	13.04 Postage		
	13.04	0	0.00
YTD Totals	Donations 16,239	Stewardship 14,321	<u>Local Funds</u> 67,948



ROBIN COUCH CARDILLO

January 10, 2019

Clarke County Conservation Easement Authority Fundraising and Public Relations Report January 2019 meeting

Donor Statistics

See attached Master Report

- 2018 total: \$34,815.28 from 169 donations
- Year-end appeal: \$18,975 from 62 donations

Ongoing

- -Dissecting 2018 numbers and year-end appeal
 - Successful year; up 33% over 2017
 - 8 new donors added in 2018 (lower than usual)
- -Notecards available from "Savor the Seasons" photo contest
 - \$10/pack
 - Distributed downtown to Modern Mercantile and Firehouse Gallery (consignment)
- -Winter newsletter
 - Articles: Shockey and Williams easements, Land Conservation Award, Alison on Loudoun County panel, Authority recognized by Friends of the Blue Ridge
- -5th Wingate Mackay-Smith Land Conservation Award
 - Award to Joseph and Denise Sipe, Sipe Christmas Tree Farm
 - Thursday, January 17, Millwood Country Club; award at noon, meeting prior at 11:00 a.m.
 - Media follow-up

-Website

- Continuing to work on site

Fundraising Results: Clarke County Conservation Easement Authority
As of January 10, 2019

2015 2016 2017 2018 estrate on early on early no early and	\$24,778.00 \$25,101.00 164 169	<u>t</u>		2016 2017	\$15,665 \$7,577	47	\$25	2 1 3			\$2,228	25 29 39	2016	\$2,725	19	\$75	1 3 8	2016	\$2 115	22 28 20	;		\$600		\$325 \$1,200 5 4		\$362	3 12 7	2016	\$595 \$638 \$710			\$ 20
3 2014					7			6	•			3 26					5			27					9/4	3 2014				\$705			
2 2013						69 0						2 39					5			1 22					9 5 5	2 2013			2013	\$1 175	7		7
2012								-		2012							3			24					<u>6</u>	2012							\$67
2011				2011	\$12,815	68				2011							-	2011	\$2,735	26	į	2011	\$2,946	27 00	8 8 8	2011							\$57
2010	\$40,390 203	3		2010	\$8,376	76				2010	\$2,865	32	2010	\$2,810	56	\$450	4	2010	\$1,883	33		2010	\$7,300	07.6	400 7	2010	\$1,900	5					\$747
2009	209			2009	\$10,134	86				2009	\$2,065	27	2009	\$5,820	38	\$460	10	2009	\$1,330	22		2009	\$260	- G		2009	\$4,175						
2008	\$20,67.1 208	2		2008	\$8,477	87	\$425	7		2008	\$2,700	23	2008	\$2,074	19	\$940	6	2008	\$2.020	27	6	2008	4/65 4	0 0	990 4	2008	\$3,380	17					
2007	161	:		2007	\$8,310	59	\$2,115	24		2007			2007	\$455	Ś	\$2,200	16	2007	\$2.370	20		7007	\$2,210	4 6	25	2007							
2006	115			2006	\$8,465	73				2006			2006	\$3,775	35			2006			0	2002				2006			2006	\$1,105	9		
tai SaA	# Donations			YE Donor Appeal	YE Donor Appeal Amount	Donor Respondents	YE Prospect Amount	Prospect Respondents		Winter Newsletter	Dollar Amount	Respondents	Spring Newsletter	Donor: Dollar Amount	Donor: Respondents	payer Spring Newsletter: Dollar Amt	yer Spring Newsletter: Respondents	Summer Newsletter	Dollar Amount	Respondents		raii newsietter	Donor: Dollar Amount	Townsor Eat Neurolater Dellor Amt	payer Fall Newsletter. Respondents	Over the Transom	Dollar Amount	Donor Respondents	Donor Thank-You Party	Dollar Amount	Donor Respondents		Photo Revenue

CLARKE COUNTY CONSERVATION EASEMENT AUTHORITY



SUMMARY OF ACCOMPLISHMENTS 2013 through 2018

PUBLISHED JAN. 11, 2019



EXECUTIVE SUMMARY

The Clarke County Conservation Easement Authority was established in 2002, and its first casement was recorded in 2003. Since then, 135 easements have been recorded, protecting 8,019 acres, and retiring 263 dwelling unit rights (DURs). Easements are acquired by donation, DUR purchase, and appraised value purchase. The Authority has successfully leveraged more than \$4.3 million in grant funds from both state and federal sources in order to maximize the purchasing power of limited local funding.

In 2018, the Easement Authority contracted with the Weldon Cooper Center for Public Service to conduct a Cost of Community Services (COCS) study in which the cost/benefits of conservation easements were analyzed. The study revealed that residential land uses generated an estimated \$34.2 million in county revenues while consuming approximately \$42.3 million in county services in FY2017, whereas commercial-industrial and agriculture-open space generated estimated surpluses of \$3.7 million and \$1.5 million respectively. The COCS ratio, which was computed by dividing the total county budget expenditure by county revenue for each land use category, results in COCS ratios of 1.237 for residential land use, 0.234 for commercial/industrial land use, and 0.495 for agriculture/open space land use.

In addition, easements are beneficial in reducing the true value of real property used to compute the Local Composite Index. If the Clarke County Conservation Easement Authority had not been created, the COCS indicates state contributions would decrease by approximately 1 percent translating into lost funding of approximately \$131,000 to \$147,000 in state aid for schools.

This report is the third five-year report since the Conservation Easement Authority's creation. The easement program remains strong, placing an average of 500 acres in easement per year over the past 15 years.

Outreach efforts include fundraising, adding an average of about \$28,946 per year for 15 years to supplement local funding for surveys and appraisals. Over the past five years, the average was \$36,929, indicating support for the easement program is increasing.

PURPOSE OF REPORT

County Code Section 72-12 requires the Board of Supervisors receive five-year reviews of the easement program that detail its effectiveness. Two previous reports summarized the first decade of the program. This document provides a summary of years 2013 through 2018.

ESTABLISHMENT & PURPOSE

The Clarke County Conservation Easement Authority and its Easement Purchase Program were created by Ordinance of the Clarke County Board of Supervisors on June 18, 2002. The general purpose of the Conservation Easement Purchase (CEP) program is to protect and preserve land with significant agricultural, natural, scenic, and historic resources. The specific purposes of the CEP program include, but are not limited to, (1) protection of quality farmland, (2) preservation of open-space and the rural character of the county, (3) protection of environmentally sensitive areas important to water quality, plant life, and wildlife, (4) protection of historic resources, (5) protection of natural and scenic resources, (6) promotion of tourism, and (7) protection of water resources. Chapters 12 and 72 of the County Code describe the articles of incorporation, overall purpose of the program, duties, and procedures.

The CEP program is funded annually by the Board of Supervisors via the county budget or by special appropriation. Early in the program, the Supervisors appropriated \$150,000 per year from end-of-year funds to support the program. Currently, the funding policy is by appropriation as needed. Additional funds are provided by rollback taxes, which is somewhat erratic depending on the amount of development.

Local funding has been supplemented by grants from the Shenandoah Resource Conservation and Development Council (SRCDC), the Virginia Outdoors Foundation (VOF), the Natural Resource Conservation Service's Farm and Ranchland Protection Program (FRPP) — now known as Agricultural Land Easements (ALE) — the Virginia Land Conservation Fund (VLCF) administered by the Department of Conservation and Recreation, and the Virginia Department of Agriculture and Consumer Services (VDACS). Grant funding options are detailed later in this report.

CHANGES TO THE PROGRAM

Deed Template

The Clarke County Conservation Easement Authority amended its deed template in response to a recent State Supreme Court judgment. In 2016, the Supreme Court of Virginia heard a case between Wetlands America Trust, Inc. (WAT) and White Cloud Nine Ventures regarding a conservation easement ambiguity resolved in favor of allowing construction. Wetlands America Trust, Inc. holds a conservation easement on a property owned by White Cloud Nine Ventures, L.P. White Cloud purchased a property in order to lease it to a related entity for a vineyard, grazing and milking cows, raising wheat, constructing a building to be used for a creamery, bakery, wine storage, and the tasting, sampling and sale of wine, cheese and bakery products. White Cloud began construction of a building, parking lot, road and bridge. WAT sued, seeking a declaratory judgment that the construction and intended "commercial use" violated the conservation easement's restrictive covenants. The trial court denied the declaratory judgment and the Supreme Court upheld the lower court's opinion. Crucial to White Cloud's victory in the case were provisions in WAT's deed template that were ambiguous.

As a result, the Virginia Outdoors Foundation and Picdmont Environmental Council (PEC) recently updated their deed templates to strengthen sections relating to commercial uses. The Clarke County Conservation Easement Authority last updated its deed template in March 2016 but did not address any of the issues discussed in the Court case. In May 2017, county staff obtained copies of the new templates from VOF and PEC. Michelle Jones, attorney and member of the Easement Authority, reviewed the changes and made recommendations to strengthen the Authority's template.

Application Criteria

The Authority established criteria in order to objectively evaluate the conservation values of any property being considered for easement. Specifically, the property must be located in the Agricultural-Open Space-Conservation (AOC) or Forestal-Open Space-Conservation (FOC) zoning districts, and preference is given to properties in or qualifying for use-value taxation. The criteria further extends eligibility depending on the Property Resource Score that assigns points to parcels based on conservation values associated with the property, retiring at least one (1) DUR, being larger than 40 acres, and being adjacent to an existing conservation easement.

The Authority has amended its criteria several times. The most recent change to the Property Resource Score was made in 2016, adding 1 point per 1/10 mile of railroad frontage. The railroad frontage was included as Authority members were concerned the track could be widened to two tracks, thus increasing train traffic. In addition, abandonment of the railroad could result in a rails-to-trails network that would be enhanced by adjacent scenic open space. An additional criterion — the groundwater recharge area designated by the U.S. Geologic Survey — was added because reducing density will potentially reduce the demand for water resources during drought periods. A property located within this area is awarded 5 points.

Square Footage of Structures

In 2016, the Authority became aware of the impact of the collective footprint limits for cased parcels. The collective footprint is the ground area measured in square feet of the buildings and structures. In general, the deed template uses a 1-percent limit for the collective footprint. This works well for larger parcels, but may be unreasonably restrictive for smaller parcels. Recently, a request was made to build an indoor riding arena in excess of 14,000 sq. ft. on a 40-acre parcel. That parcel has a 5,400-sq. ft. barn, and the potential to build a 4,500-sq. ft. house (footprint 2,300 sq. ft.), allowing nearly 22,000 sq. ft. of collective footprint. The concept of limiting the amount of structural footprint and the amount of impervious surface is to reduce the impact of manmade structures on eased property. The Authority adopted the following table to provide limits on the square footage of structures based on the size of the property and therefore have a more reasonable proportion of open space to structural improvements.

i	
Acres	sq. ft.
<10	10,000
10-15	15,000
15-20	15,000
20-30	15,000
30-40	20,000
40-50	20,000
> 50	19

Income Criteria

In May 2006, the Easement Authority and Board of Supervisors adopted the Determination of Payment of Conservation Easement – Owner Income, which was subsequently amended in 2008 and 2011. The policy outlines the process by which the adjusted gross income of the landowner is calculated and the three-year average used to determine the percentage of the purchase offer amount paid to the landowners.

The purpose of adjusting the purchase price by income is to focus available funds to lower- and middle-income property owners who may be less likely to take advantage of tax credits.

This process works well with the DUR purchase offer as typically county funds are matched 50-50 with VDACS funds to purchase the easement. When easements are purchased using an appraised value, the county applies for grants to supplement the local funding needed for the purchase. In all cases, the agencies providing federal and state grants do not consider owner income when determining the easement cost; the value is based solely on the appraisal. Typically, federal grants pay 50 percent of the appraised value, the owner provides a 25 percent donation, and state and local funds pay the remaining 25 percent. With the exception of easement purchases completed the early years of the Authority, the local share is typically a very small percentage of the overall easement cost. The amendment for appraisal purchases requires the local share not exceed 25 percent of the appraised value, thus allowing the property owner to receive the maximum appraisal value without overspending local funds.

SUMMARY OF HOLDINGS

Greenway Court (Digges family) was officially approved for Easement purchase on April 30, 2003, becoming the first county-held Conservation Easement. Initially, the Authority acquired easements either by donation or a purchase based on an appraised value. A third option was initiated in 2010: the Dwelling Unit Right (DUR) purchase option. In general, an easement donation is preferred when the landowner's income is such that he/she pays taxes and can benefit from state and federal tax credits. Since 2002, 135 property owners have put their land in permanent conservation easements via donation. Thirty-seven easements were recorded between 2013 and 2018, totaling just over 3,200 acres. In all, 17 were donated and 20 were purchased utilizing the DUR purchase option.

Easements can be purchased by the Authority based on an appraised value and landowner income limitations based on a sliding scale. An appraised value purchase is used when the county is able to utilize grant funds to subsidize the local funding. The property must meet the criteria for federal and/or state grants, for example, having greater than 50 percent important farmland soils as classified by the Natural Resource Conservation Service. The purchase offer is based on an appraisal that includes the location and size of the property, number of DURs retired, and resource conservation values such as streams or rivers, wildlife and woodland. Twenty-two parcels have been placed in Conservation Easement based on an appraised purchase.

The DUR purchase option, initiated in 2010, provides an opportunity for landowners owning properties that do not qualify for grants to receive some monetary compensation for placing their property in conservation easement. If the property owner has one or more DURs to retire, the Authority may be willing to purchase them for as much as \$40,000 per DUR, and funding comes jointly from the Virginia Department of Agriculture and Consumer Services and the county. The DUR purchase price is determined by a combination of income level and the conservation value of the parcels. As DURs are typically worth more than what the Authority pays, the property owner may obtain an appraisal at his/her own expense. The difference in values can be considered a charitable contribution that may qualify for state tax credits as well as federal and state tax deductions. Thirteen easements have been recorded using this option.

A total of 135 easements have been recorded since 2003, several consist of multiple properties, 44 purchases and 79 donations, conserving a total of 8,019 acres and retiring 263 development rights and 13 lots in the Town of Boyce. The DUR purchase program was initiated in 2010. Table 1 details the number of acres placed in easement per year.

Chart 1. Acres in Easement Donation, Appraisal Purchase, DUR Purchase by Year.

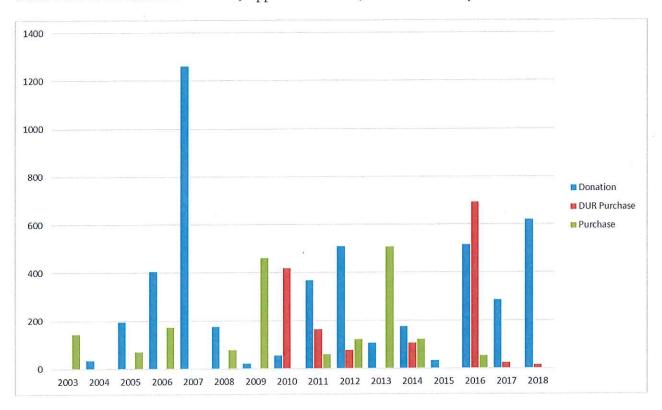


Table 1. Number of parcels placed in Conservation Easement via Clarke County Easement Authority between 2003 and 2018

	Dot	nation	DUR I	Purchase	Put	chase		
	# of	# of	# of	# of	# of	# of	Total # of	Total # of
Year	acres	parcels	acres	parcels	acres	parcels	Acres	parcels
2003					145	2	145	2
2004	35	4					35	4
2005	195	7			70	2	265	9
2006	406	5			173	2	579	7
2007	1261	28					1261	28
2008	174	10			77	2	251	12
2009	23	1			461	4	484	5
2010	55	1	419	8			474	9
2011	368	3	164	3	60	1	591	7
2012	510	7	77	1	121	1	709	9
2013	107	2			506	4	613	6
2014	175	2	106	3	123	2	404	7
2015	33	2					33	2
2016	517	6	693	7	53	2	1263	15
2017	285	7	23	1			308	8
2018	621	5	15	1			636	6
Grand								
Total	4765	90	1496	24	1789	22	8050	136

A number of land trusts, federal and state agencies also work and have easement holdings in Clarke County. A summary of easement holdings is shown in Table 2.

Table 2. Summary of Easement Holdings, Clarke County, Virginia

Agency	Acres	% holding
Lord Fairfax Soil & Water Conservation District	20	< 1%
Land Trust of Virginia	41	< 1%
Appalachian Trail Conservancy	68	< 1%
Potomac Appalachian Trail Club	187	< 1%
Piedmont Environmental Council	209	< 1%
Department of Forestry	227	< 1%
National Park Service	241	< 1%
Department of Historic Resources	1,708	7%
Clarke County Conservation Easement Authority	8,050	31%
Virginia Outdoors Foundation	15,391	59%
Total	26,142	

As shown, the Virginia Outdoors Foundation is the largest easement holder in the county due in part to the fact it has been holding easements since 1968, far longer than most other agencies. In most cases, these organizations have specific criteria for acceptance and many do not offer financial compensation other

than tax credits. As a result, the Clarke County Easement Authority has provided an opportunity for smaller landowners and those who might not meet the criteria of other programs to place land in easement.

EASEMENT PURCHASE - FUNDING SOURCES

Depending on the program, easement purchase offers have ranged between \$13,000 and \$240,000 for DUR purchases, and as much as \$716,500 for a purchase based on an appraisal. In order to supplement minimal local funding, the Conservation Easement Authority has been successful in leveraging grant funds for easement purchases. For easement purchases utilizing an appraisal, the landowner is required to donate a minimum 25 percent of the appraised value of the easement. Then, this charitable donation can be used to offset capital gain taxes incurred by the acquisition. A frequently used grant source is the Agricultural Land Easement (ALE) — formerly Federal Farm & Ranchland Protection Program (FRPP). This grant requires a minimum of 50 percent important farmland (soils) as classified by the Natural Resource Conservation Service (NRCS). These federal grants require a 50 percent match, but accept state, local, and landowner funds as match. State grant sources include the VLCF and VDACS. Less frequently used funding sources include the Virginia Outdoors Foundation (VOF), and the Shenandoah Resource Conservation & Development Council (SRCDC). The Authority received its first grant in December 2004 when the Shenandoah Resource Conservation and Development Council (SRCDC) presented the Authority with a \$25,000 donation to be used for the purchase of an easement on the Bauhan property on Pyletown Road. In September 2006, the Authority obtained \$233,150 from the Virginia Outdoors Foundation Preservation Trust Fund for the purchase of an easement on a 74-acre farm adjacent to the Shenandoah River. A breakdown of use of these sources is detailed in Chart 3.

Chart 3. Funding sources for easement purchases.

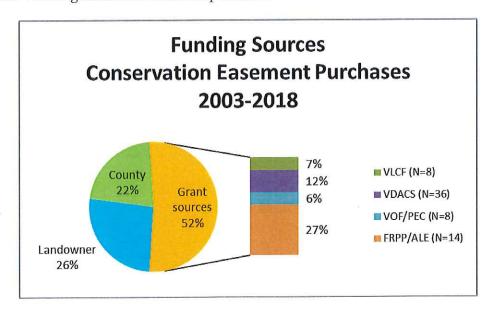


Chart 4. Breakdown of funding sources by year.

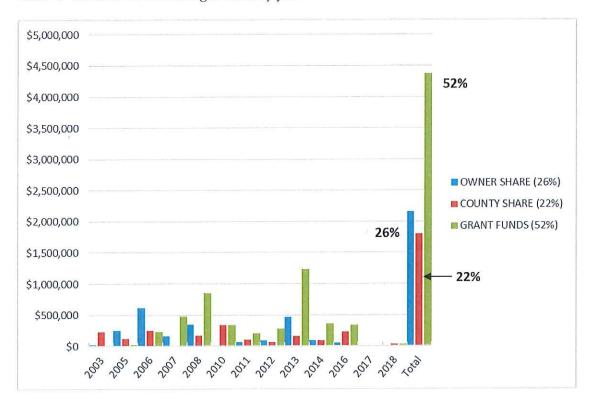


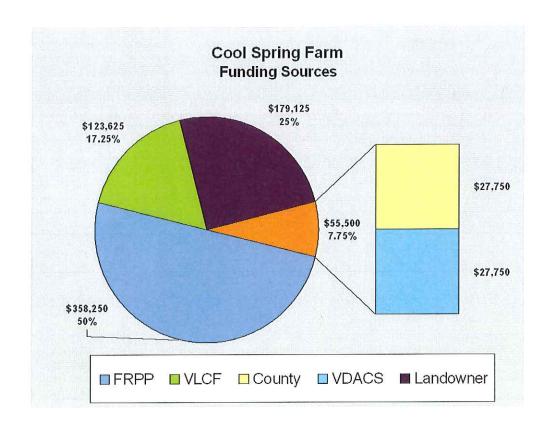
Table 2. Detailed report for all easement purchases.

				DUR				
	Lange	DUR'S	ADDDATED THE THE	PURCHASE	OWNER SHARE	COUNTY SHARE	GRANT SHARE	GRANT SOURCE
Year	ACRES	TERMINATED 3	APPRAISED VALUE \$251,000	VALUE \$0	\$26,000	\$225,000	\$0	GRANT SOURCE
2003 2003	139.7 4.9	0	\$251,000	\$0	\$20,000	\$0	\$0	
2005	39.6	2	\$198,100	\$0	\$123,100	\$75,000	\$0	
2005	32	2	\$200,000	\$0	\$125,000	\$50,000	\$25,000	SRCDC
2006	99.93	3	\$578,400	\$0	\$445,133	\$133,267	\$0	
2006	74	3	\$736,950	\$0	\$166,575	\$114,075	\$228,150	VOF
2007	216	5	\$1,126,813	\$0	\$162,125	\$8,062	\$478,313	VLCF, VDACS, FRPP
2007	46.82	3	\$346,551	\$0	\$86,638	\$86,638	\$173,275	FRPP
2008	30	2	\$180.000	\$0	\$53,100	\$42,300	\$84,600	FRPP
2008	204	5	\$716,500	\$0	\$179,125	\$27,750	\$509,625	VLCF, VDACS, FRPP
2008	43	1	\$131,500	\$0	\$32,875	\$16,437	\$82,188	VDACS, FRPP
		1	\$151,500	\$25,000	\$32,673	\$12,500	\$12,500	VDACS
2010	11.48	2	\$0	\$80,000	\$0	\$40,000	\$40,000	VDACS
2010	19.8		\$0	\$28,000	\$0	\$14,000	\$14,000	VDACS
2010	10.5	11	\$0 \$0		\$0	\$120,000	\$120,000	VDACS
2010	133	6		\$240,000	\$0	\$70,000	\$70,000	VDACS
2010	145	5	\$0	\$140,000	\$0	\$40,000	\$40,000	VDACS
2010	38.1	2	\$0	\$80,000	\$0	\$30,400	\$30,400	VDACS
2010	47.6	2	\$0	\$60,800	\$0	\$15,200	\$15,200	VDACS
2010	15.18	1	\$0	\$30,400			\$150,312	VDACS, FRPP
2011	60.00	2	\$240,500	\$0	\$60,125	\$30,063		VDACS, FRFF
2011	13.02	11	\$0	\$13,000	\$0	\$6,500	\$6,500	VDAGS
2011	16,69	2	\$0	\$25,000	\$0	\$25,000	\$0	VDACS
2011	134.00	2	\$0	\$80,000	\$0	\$40,000	\$40,000	
2012	76.9	2	\$0	\$80,000	\$0	\$40,000	\$40,000	VDACS
2012	121.18	4	\$345,500	\$0	\$86,375	\$20,000	\$239,125 \$347,500	PEC, VDACS, FRPP EC, VLCF, VDACS, FRP
2013	80,86	4	\$30,300	\$0	\$125,000	\$27,500	\$374,062	PEC, VLCF, VDACS, FRPP
2013	217.34	4	\$542,500	\$0	\$135,625 \$63,750	\$32,813 \$3,125	\$374,062 \$188,125	PEC, VLCF, VDACS, FRPP
2013	68,02	3	\$255,000	\$0 \$0	\$140,000	\$97,500	\$322,500	PEC, VLCF, VDACS, FRAT
2013	140	3	\$560,000 \$0	\$69,600	\$140,000	\$34,800	\$34,800	VDACS
2014	58.78	2	\$173,500	\$69,000	\$43,375	\$2,718	\$128,468	PEC, VLCF, VDACS, FRPP
2014 2014	57.90 64.82	3	\$173,500	\$0	\$48,625	\$687	\$145,187	VLCF, VDACS, FRPP
2014	18,25	1	\$194,500	\$0	\$0	\$20,000	\$20,000	VDACS
2014	29,11	2	\$0	\$60,000	\$0	\$30,000	\$30,000	VDACS
2014	16.00	1	\$0	\$40,000	\$0	\$20,000	\$20,000	VDACS
2016	94.00	3	\$0	\$120,000	\$0	\$60,000	\$60,000	VDACS
2016	40.57	2	\$0	\$80,000	\$0	\$40,000	\$40,000	VDACS
2016	134.30	2	\$0	\$32,000	\$0	\$16,000	\$16,000	VDACS
2016	80.22	2	\$0	\$32,000	\$0	\$16,000	\$16,000	VDACS
	287,57	4	\$0	\$64,000	\$0	\$32,000	\$32,000	VDACS
2016	40.00	2	\$0 \$0	\$32,000	\$0	\$16,000	\$16,000	VDACS
2016		3	\$74,500	\$32,000	\$18,625	\$9,313	\$46,562	VDACS, ALE
2016	18.20		\$74,500 \$140.500	\$0	\$35.125	\$17,563	\$87,812	VDACS, ALE
2016	35.20	2	\$140,500	\$30,160	\$55,125 \$0	\$17,383	\$15,080	V DAGS, ADIO
2017	23.20	2		\$60,000	4 υ	\$30,000	\$30,000	VDACS
2018	15.01	2		\$60,000 Total	\$2,156,296	\$1,803,291	\$4,369,284	7 DAGO
Total	2201.75	75 113		% of Total	\$2,156,296 25.9	21.7	52,5	
<u> </u>	3291,75	113		70 OF FOLGE	20.0	1 41.4	74.0	

As of Dec. 31, 2018, the Conservation Easement Program has utilized \$4.3 million in grant funds (52 percent), with local and landowner contributions the expenditures for easement purchases exceeds \$8.3 million over a 15-year period. This has resulted in the extinguishment of 113 DURs.

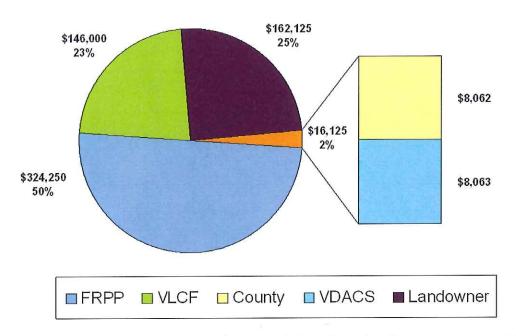
EXAMPLES OF LEVERAGING

The ability to leverage state and federal funds to supplement local appropriation can have a significant impact on the number of easements a local program can fund. One example, Cool Spring Farm, is 204 acres of farmland within the Cool Spring Civil War Battlefield Historic District, protecting nearly 204 acres of Important Soil, retiring 5 of the its remaining 8 DURs, and protecting a circa 1880 house that is a contributing structure to the Historic District. The total appraised value of the easement was \$716,500. After deducting the property owners' 25 percent donation, they received payment of \$537,375. The local match for the purchase was \$27,750 or just under 4 percent of the total purchase cost.



Another example is the Edgewood Dairy Farm. This easement protects 216 acres of farmland, which is a family-owned and operated dairy. Fifty-seven percent of the soil is classified as Prime. The owner retired all 5 remaining DURs. The farm borders the Opequon Creek, a 303(d) listed impaired stream, and provides 2,800 feet of riparian buffer.

Koon Dairy Farm Funding Sources



The total appraised value of the easement was \$648,500. After subtracting the property owners' 25 percent donation, they received payment of \$486,375. In this case, the local match for the purchase was 1 percent of the purchase price or \$8,062.

COST/BENEFITS OF CONSERVATION EASEMENTS

Since its inception in 2003, the Authority has spent \$1,803,291 — roughly \$120,000 per year —of local funds to purchase conservation easements. Residents often question the value and need to spend public funds for preservation of open space. In an effort to describe the financial benefits of conservation easements to the community, the Authority contracted with the Weldon Cooper Center for Public Service to complete a Cost of Community Services Study (COCS) in 2018.

COCS studies divide land use into three categories: residential, commercial/industrial, and farmland/open space and calculate a COCS ratio for each land use category. Then, they compute the ratio of total expenditures required by land use to total revenues generated by land use. If the ratio is greater than one, the land use generates less revenue than it requires in expenditures and creates a local fiscal deficit. If the ratio is less than one, the land use requires less in the value of services than the revenue it generates a fiscal surplus.

The statistics compiled are similar to those of a study for the county conducted more than a decade ago and comparable to data from other Virginia counties: Residential land use brings in the lion's share (81.52 percent) of revenue to the county, but it also accounts for most of the expenditures (94.28 percent). In other words, for every \$1 in revenue, the county spends about \$1.24 on residential land. Commercial-Industrial land use contributes 11.59 percent of revenue and requires 2.53 percent of expenditures. So, for every \$1 in revenue, the county spends about \$0.23 on commercial-industrial land. Agriculture-Open

Space land use accounts for 6.89 percent of revenue and 3.19 percent of expenditures. For every \$1 in revenue, the county spends about \$0.50 on agricultural land.

An additional financial benefit of Conservation Easements is the reduction of the true value of real property used to compute the Local Composite Index, resulting in increased state aid for schools. This index determines a school division's ability to pay education costs. The Composite Index is calculated using three indicators of a locality's ability-to-pay:

- True value of real property (weighted 50 percent)
- Adjusted gross income (weighted 40 percent)
- Taxable retail sales (weighted 10 percent)

Each locality's index is adjusted to maintain an overall statewide local share of 45 percent and an overall state share of 55 percent.

Clarke County received \$8.7 million in revenue from the Commonwealth for the School Operating Fund, largely funding awarded through the state's Standards of Quality (SOQ) funding process. The latter program awards funds based on local fiscal capacity. Hence, localities demonstrating greater fiscal capacity, holding all else the same, receive smaller transfers.

Clarke County has 26,142 acres under permanent conservation easement with 434 acres added with the assistance of county's Conservation Easement Authority funding in FY 2017 alone. The value of property rights removed per acre is estimated at \$2,800 to \$3,132. Meaning, if Clarke County conservation easements had not been created, the county would have an estimated \$82.1 million to \$91.9 million in additional property assessment that would translate into higher composite indices of local ability-to-pay varying from a low of .5603 to a high of .5615. Therefore, state contributions would decrease by approximately 1 percent, translating into lost funding of approximately \$131,000 to \$147,000.

The 2018 COCS study cost \$11,894 and was co-funded by an Agriculture and Forestry Industries Development Fund grant administered by the Virginia Department of Agriculture and Consumer Services and the Stewardship Fund of the Clarke County Conservation Easement Authority. No county funds were spent on the study.

PUBLIC RELATION EFFORTS & FUNDRAISING

Authority achievements extend beyond holding easements. The Authority has worked to educate the public about the benefits of conservation easements.

In 2003, Authority members began to explore how to solicit private funds to supplement money provided by the Board of Supervisors for easement purchases and associated expenses. Specifically, the Authority sought professional assistance to develop a private fundraising program. After months of due diligence, the Authority in August 2004 hired a professional fundraiser to develop and implement a fundraising program. The scope of work outlined in the contract includes:

- 1) Review current donor list for year-end appeal;
- 2) Write year-end appeal letter;
- 3) Write acknowledgement letters to all donors;
- 4) Analyze response to the appeal and report to the committee;
- 5) Prepare a brochure describing the Authority, soliciting involvement and seeking tangible support;

6) Work with a committee to develop a list of potential presentation opportunities with area groups; arrange dates. If desired, work with presenter to fine tune the presentation.

Quarterly newsletters have been prepared and distributed since December 2006. The newsletters are mailed twice a year with the tax bills to all Clarke County landowners. The other two newsletters are sent to individuals who have contributed to the Authority. The newsletters offer details about recently recorded easements, facts regarding easements, and general updates on Easement Authority activities.

Other fundraising and awareness efforts have included three annual photo contests. Each contest was advertised via the Authority website, posters and flyers. The contest is divided into student, amateur, and professional categories to reach the most participants. Each group is judged with three winners receiving gift cards to a local photography store. The photographs are used to create gift cards and framed photos, all offered for sale to generate funds for the Authority.

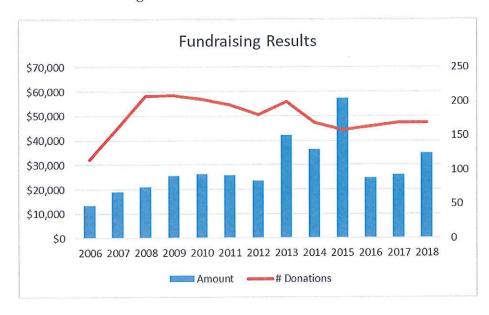
After co-founder and long-term Easement Authority member Wingate "Winkie" Mackay-Smith retired from public service in 2014, the Authority created the annual Wingate Mackay-Smith Land Conservation Award, which is designed to:

- honor individuals, groups, or organizations for outstanding contributions to conserve, preserve, and protect our open spaces in Clarke County; and
- build awareness of the need for land conservation in Clarke County and the positive role that easements play in preserving the natural beauty and historic significance of the county for future generations.

The award is presented at an annual luncheon, which has been covered by local media, providing additional publicity for the program.

Fundraising results are detailed in Chart 5. Note: The anomaly in 2015 is a large mutual fund donation of \$30,000 from a single individual.

Chart 5. Fundraising results



The money raised through these efforts funds a consultant and expenses relating to easement purchases such as appraisals and surveys.

INSPECTION, MONTORING, ENFORCEMENT

Stewardship funds

Established in 2010, the Virginia Land Conservation Foundation distributes funds to conservation groups including the Clarke County Conservation Easement Authority based on the number of donated land interests accepted by the group during the preceding three years (VA Code Section 58.1-513 C.2). To be counted, donors must have claimed land preservation tax credits. The money is to be used for monitoring and enforcement of the county's easements. Table 4 details the amounts received by Clarke County.

Inspections

Part of the requirement for holding easements is monitoring and inspection of eased properties to insure compliance with the terms of the Deed of Easement. As the number of easements held by the county has increased to more than 100 properties, county staff could no longer keep up with annual monitoring. As a result, the Authority began utilizing Stewardship funds to hire summer interns to complete the monitoring beginning in 2014. One or two college students are hired each summer to contact landowners and conduct easement inspections. The interns are paid \$1,000 plus mileage. If their work is satisfactory, a letter of recommendation is provided when the inspections are completed. The interns inspect the property, document any changes via a report and photographs, and discuss the restrictions outlined in the deed with property owners. To date no violations have been reported.

Table 4. Stewardship Fund Distribution

Virginia Land Conservation Foundation									
Stewardsh	ip Funds								
2011	\$2,410	A Comment of the Comm							
2012	\$34,159								
2013	\$18,514								
2014	\$17,115								
2015	\$18,378	To the second se							
2016	\$2,010								
2017	\$12,207								
2018	\$44,759								
Total	\$149,552								

CONCLUSION

Each year since its establishment in 2002, the Clarke County Conservation Easement Authority has accrued greater success. Two easements were recorded in 2003, growing to nine in 2005. Twenty-eight properties were accepted in 2007. In subsequent years, the number of applications has been less than the high of 28 in 2007, but that may be attributable in part to the economic trends. Since 2007, the Authority has on average placed about 500 acres per year in easement.

Increases in state grant funding is another factor that has positively affected the county's ability to purchase easements. The past three governors have sponsored initiatives to increase state funding to help achieve the goal of placing a minimum of 400,000 acres in easement in the Commonwealth for each four-year term. This — combined with increased tax incentives — has motivated many landowners to consider placing their land in permanent open space.

Overall, Clarke County has 26,142 acres or 23 percent of its land area permanently protected by Conservation Easements. The Easement Authority currently holds a total of 135 easements, protecting 8,019 acres or 31 percent of the total holdings (Map 1). The county's Easement Authority plays an important part by enabling landowners with smaller properties that might not otherwise meet the criteria of other programs to place land in easement, thus protecting valuable natural and historic resources in Clarke County for future generations.

