



The Case for Land Conservation in Virginia

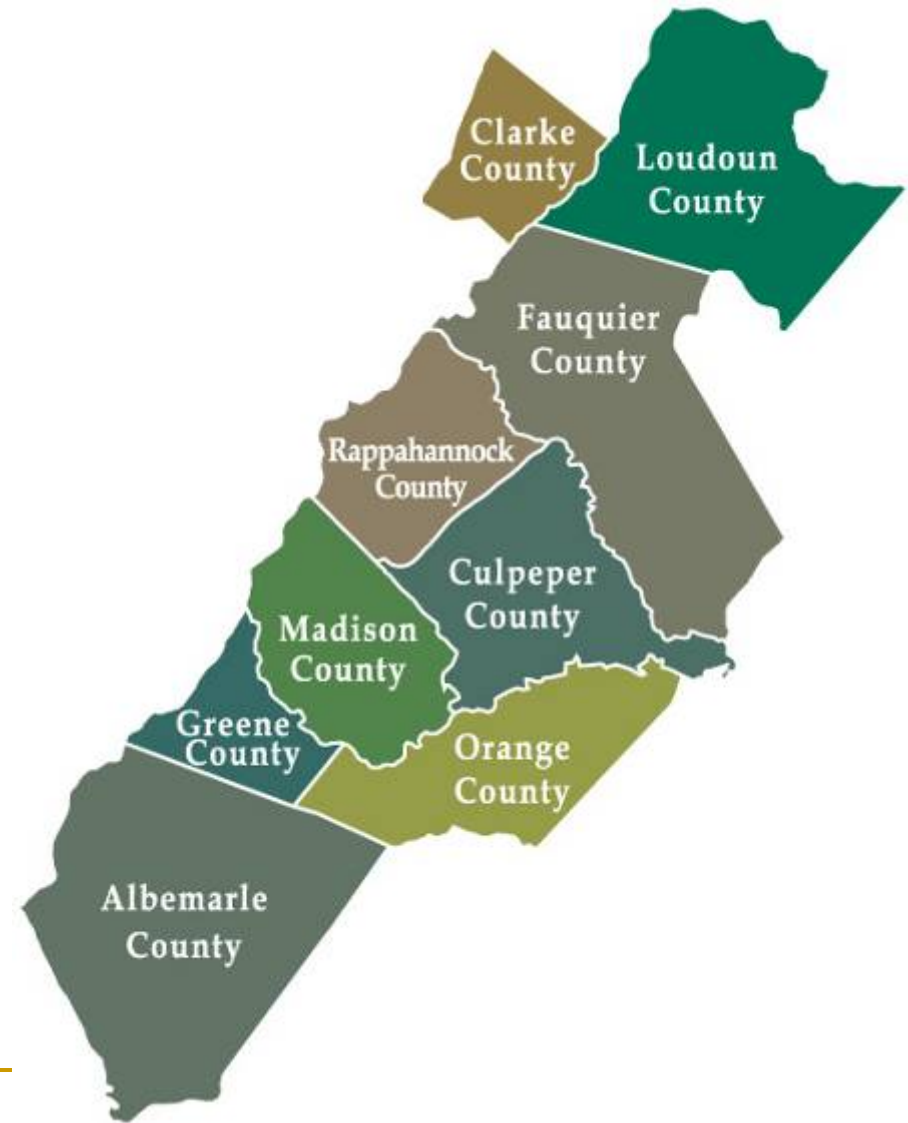
Presented by the Piedmont Environmental Council to:
Joint Subcommittee Studying Long-Term Funding
for Farmland and Open Space Conservation

October 24, 2007

Piedmont Environmental Council Introduction

The Piedmont Environmental Council is a non-profit organization founded in 1972 and dedicated to promoting and protecting the Piedmont's rural economy, natural resources, history and beauty.

- Funnel growth to appropriate areas
 - Preserve the rural areas where growth doesn't belong
-



A Look at Land Conservation in Virginia



- Why conserve Virginia's land and resources?
 - What are we doing to conserve our land?
 - Measuring our accomplishments
 - ✓ Are we conserving the right land?
 - ✓ Are we effectively leveraging state conservation funding?
 - What can we accomplish in the future?
-

Why Conserve Virginia's Land and Resources?

Because Virginia is our home.

Our land provides us with....

- A renewable source of nourishment
- A sustainable natural environment
- Jobs and a vibrant economy
- Areas to recreate
- Historic and scenic places to experience.

In short, our land connects us to our past and sets the course for a prosperous future.

What are we doing to conserve our land?

Landowners, private land trusts, and government are working together to conserve land important to Virginians.

Three efforts exemplify the Commonwealth's role:

- Virginia Land Conservation Foundation (VLCF)
 - Partnership with localities on Purchase of Development Rights programs
 - Virginia Land Preservation Tax Credit (LPTC)
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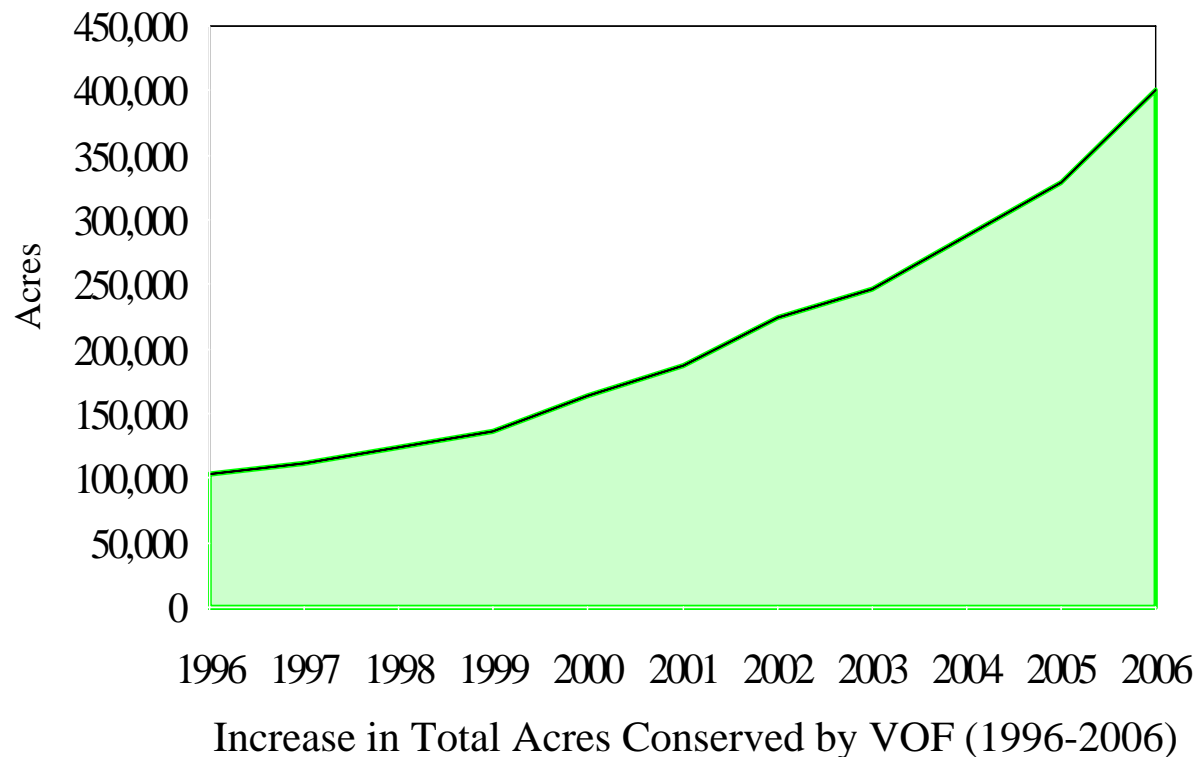
Three-Legged Conservation Strategy

Over the past ten years, the LPTC, VLCF, and local adoption of PDR programs have resulted in the conservation of over 300,000 acres in Virginia.

Conservation Strategy	Acres
Land Preservation Tax Credit	266,000
Virginia Land Conservation Foundation	31,000
Local PDR Programs	20,800
Total	317,800

Land Preservation Tax Credit

The LPTC's success is highlighted by the dramatic increase in the amount of land conserved by VOF since 2000.



Since enactment of the LPTC in 2000, VOF has conserved over 264,000 acres, tripling its portfolio of conserved land from about 135,000 acres to nearly 400,000.

STATUS OF LOCAL PURCHASE OF DEVELOPMENT RIGHTS (PDR) PROGRAMS

- 20 localities have created PDR programs in Virginia
 - 19 of the 20 programs created since 2000
 - 5 programs created since 2/07
 - 7 more localities are studying the creation of a PDR program
-



VA Land Conservation Foundation

VLCF provides competitive matching grants to support a wide range of statewide conservation priorities.



Despite inconsistent funding, the 84 grants awarded by VLCF since 2000 will conserve more than 31,000 acres in VA

VLCF funding supported the conservation of Meadow Grove Farm, a sixth generation working farm

Are we conserving the right land?

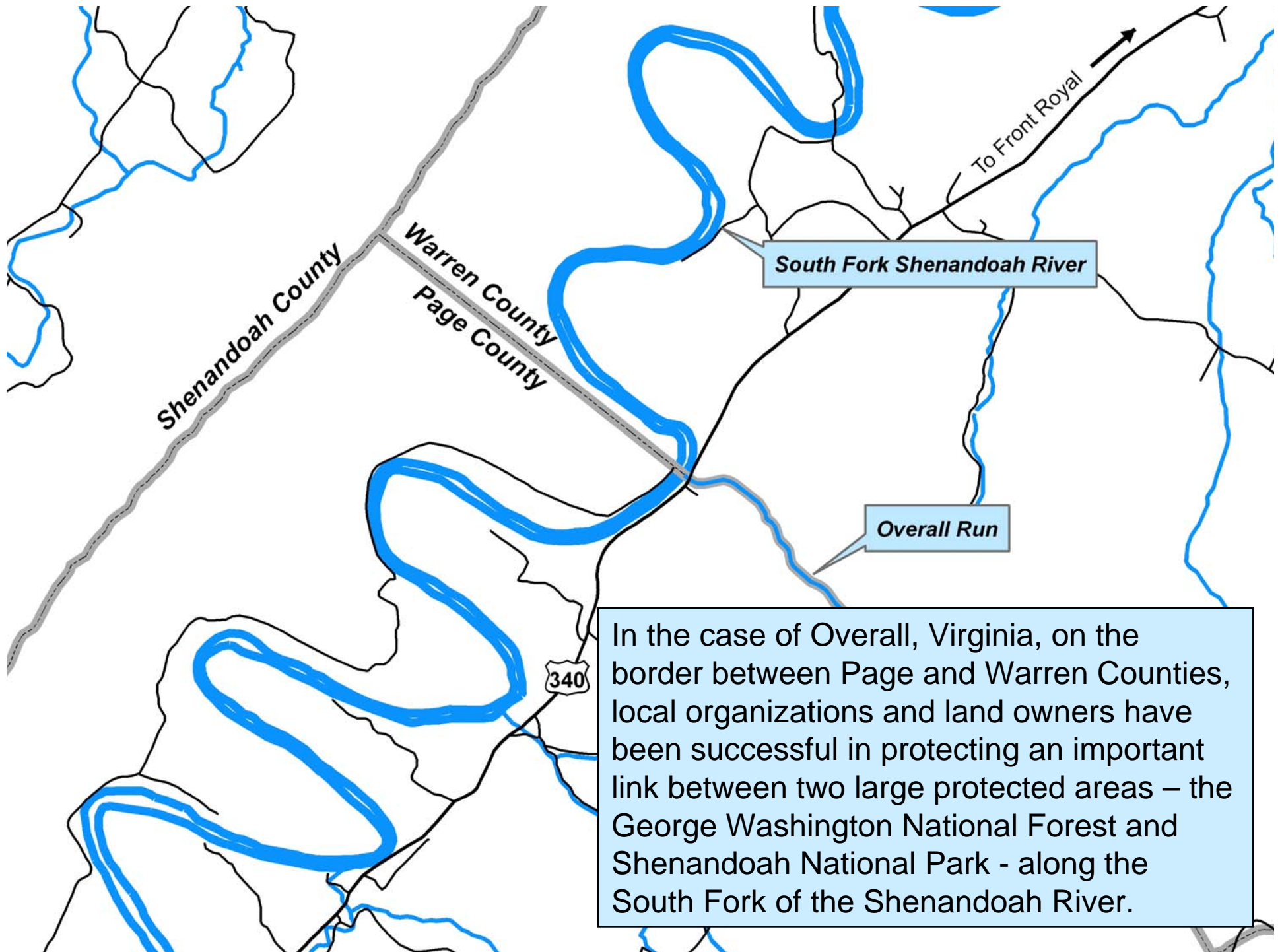
YES! Land protected through donated easements, PDR Programs, and VLCF are strategically achieving important local and statewide conservation goals such as....

Protecting Wildlife Habitat

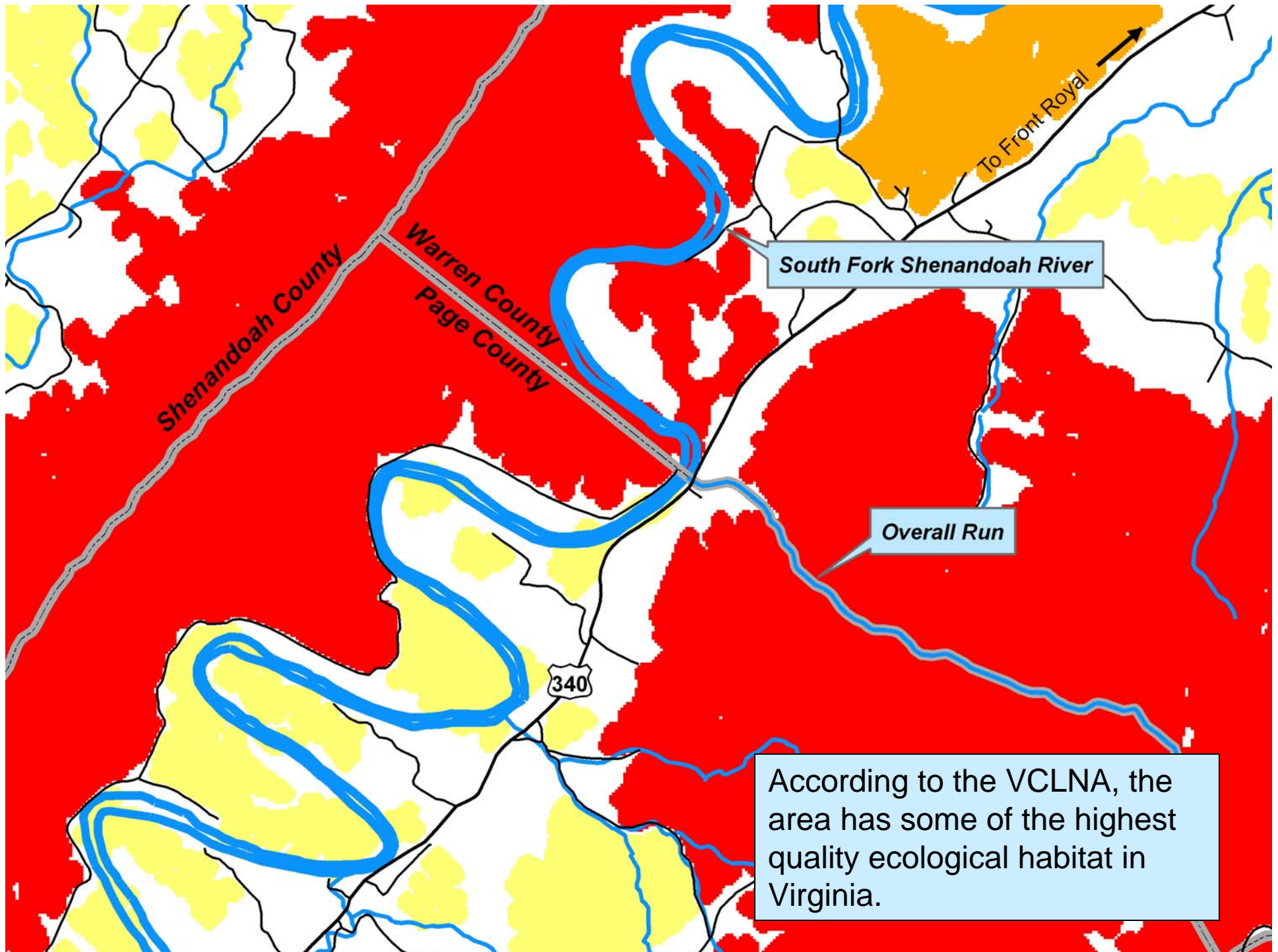
Conservation easements are being used strategically to maintain biological diversity, protect rare ecological communities, and retain blocks of habitat for hunting, fishing, and wildlife viewing.



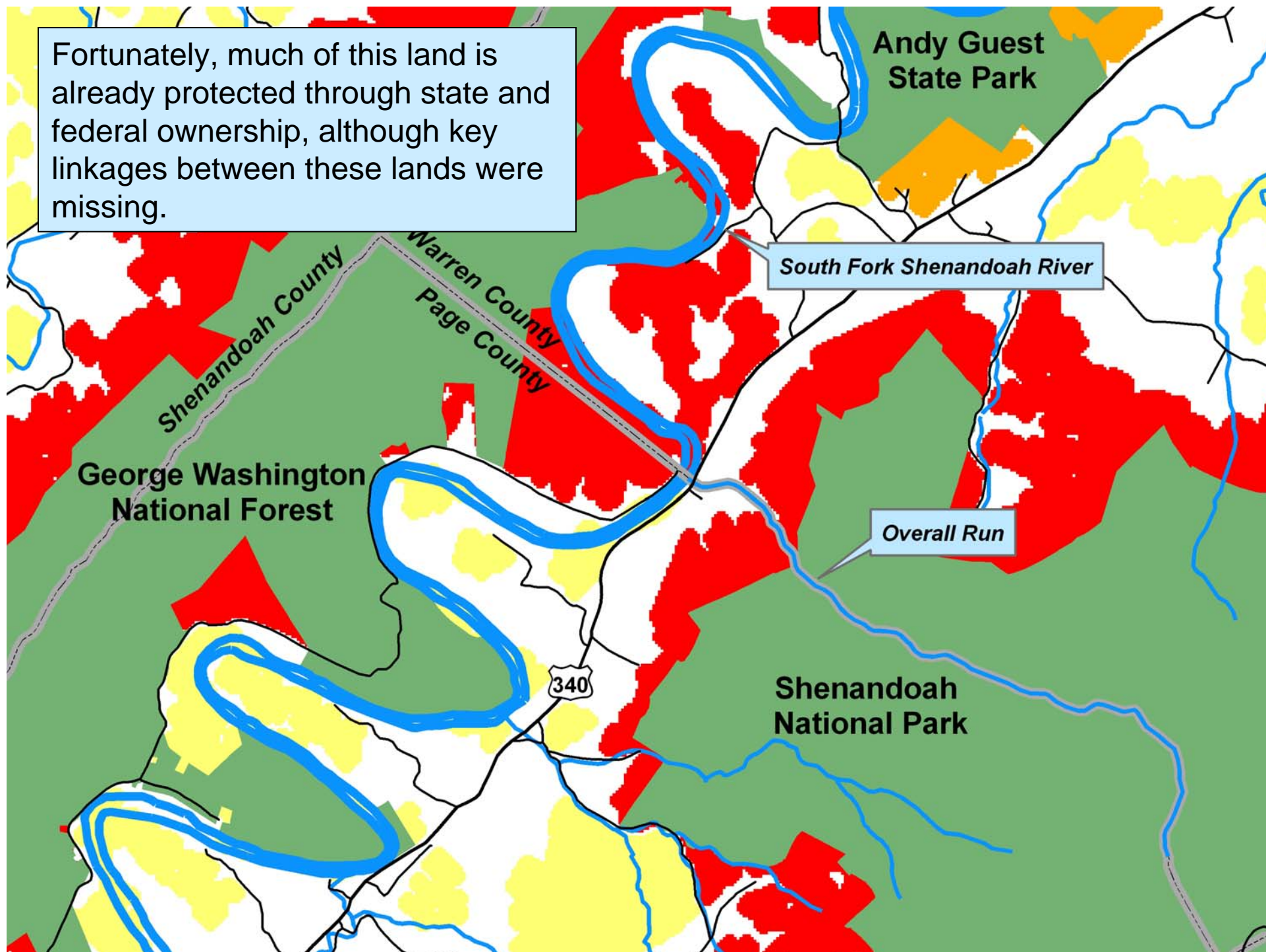
90% of all VOF easements—
totaling 320,000 acres in
Virginia—contain land
designated as an ecological
“core” by the Virginia Land
Conservation Needs Assessment
(VCLNA)

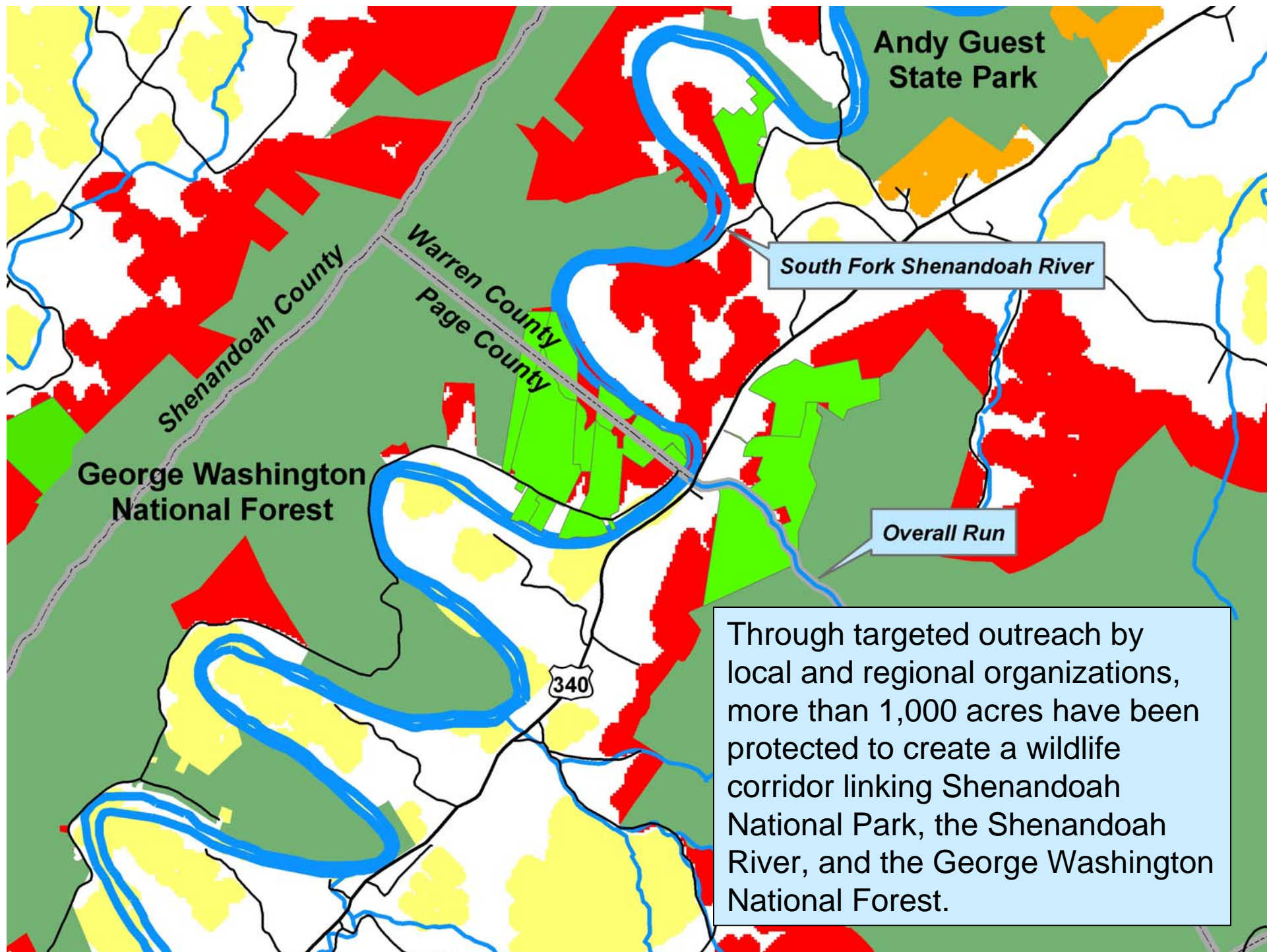


In the case of Overall, Virginia, on the border between Page and Warren Counties, local organizations and land owners have been successful in protecting an important link between two large protected areas – the George Washington National Forest and Shenandoah National Park - along the South Fork of the Shenandoah River.



Fortunately, much of this land is already protected through state and federal ownership, although key linkages between these lands were missing.





Andy Guest
State Park

South Fork Shenandoah River

Overall Run

George Washington
National Forest

Shenandoah County

Warren County
Page County

340

Through targeted outreach by local and regional organizations, more than 1,000 acres have been protected to create a wildlife corridor linking Shenandoah National Park, the Shenandoah River, and the George Washington National Forest.

Chesapeake Bay Agreement

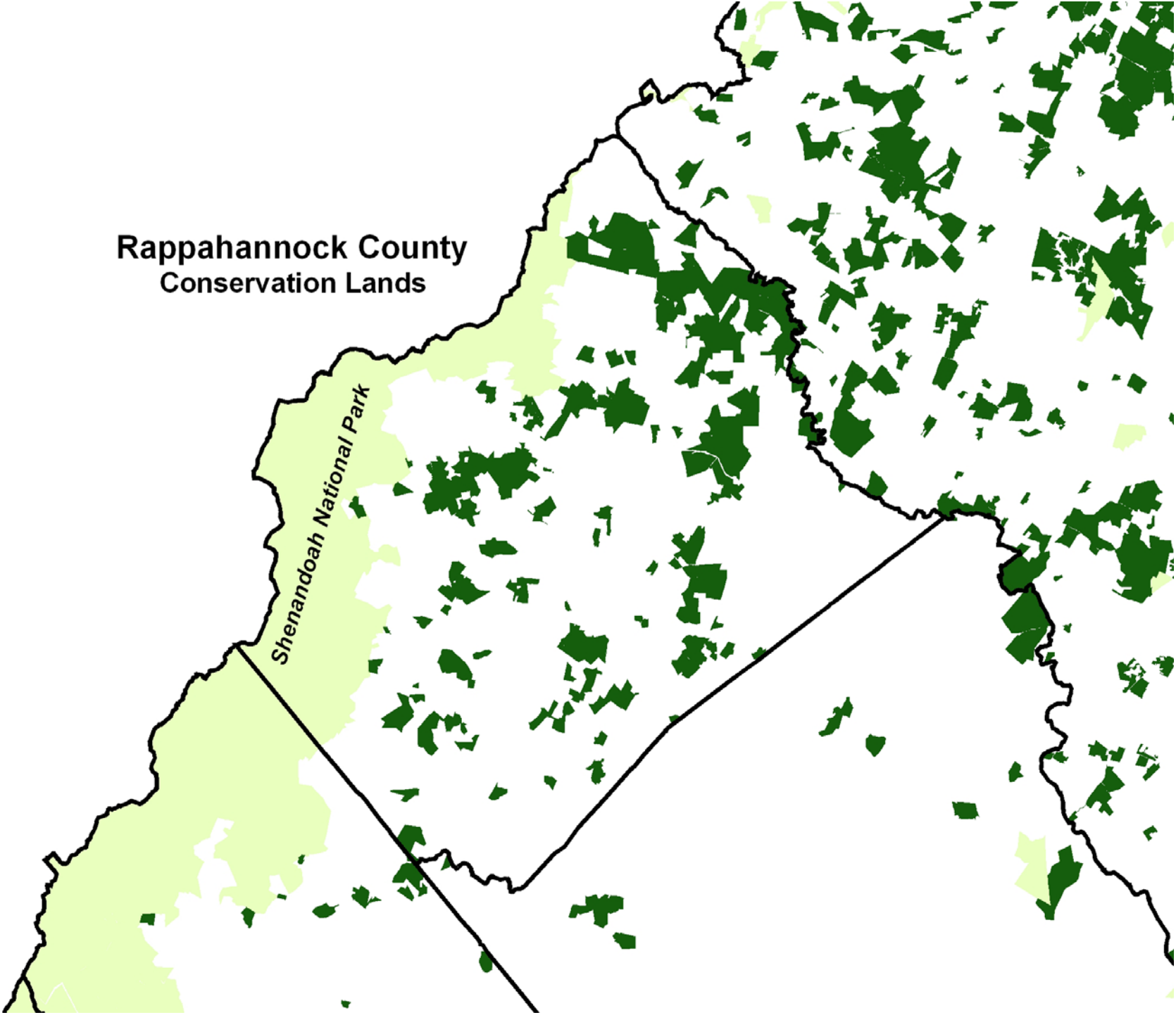
Conservation easements are key to enabling Virginia to achieve its commitment to protect 20% of the Bay watershed by 2010



At least 80 percent of the land protected through the LPTC is in localities within the Bay watershed (212,375 acres)*

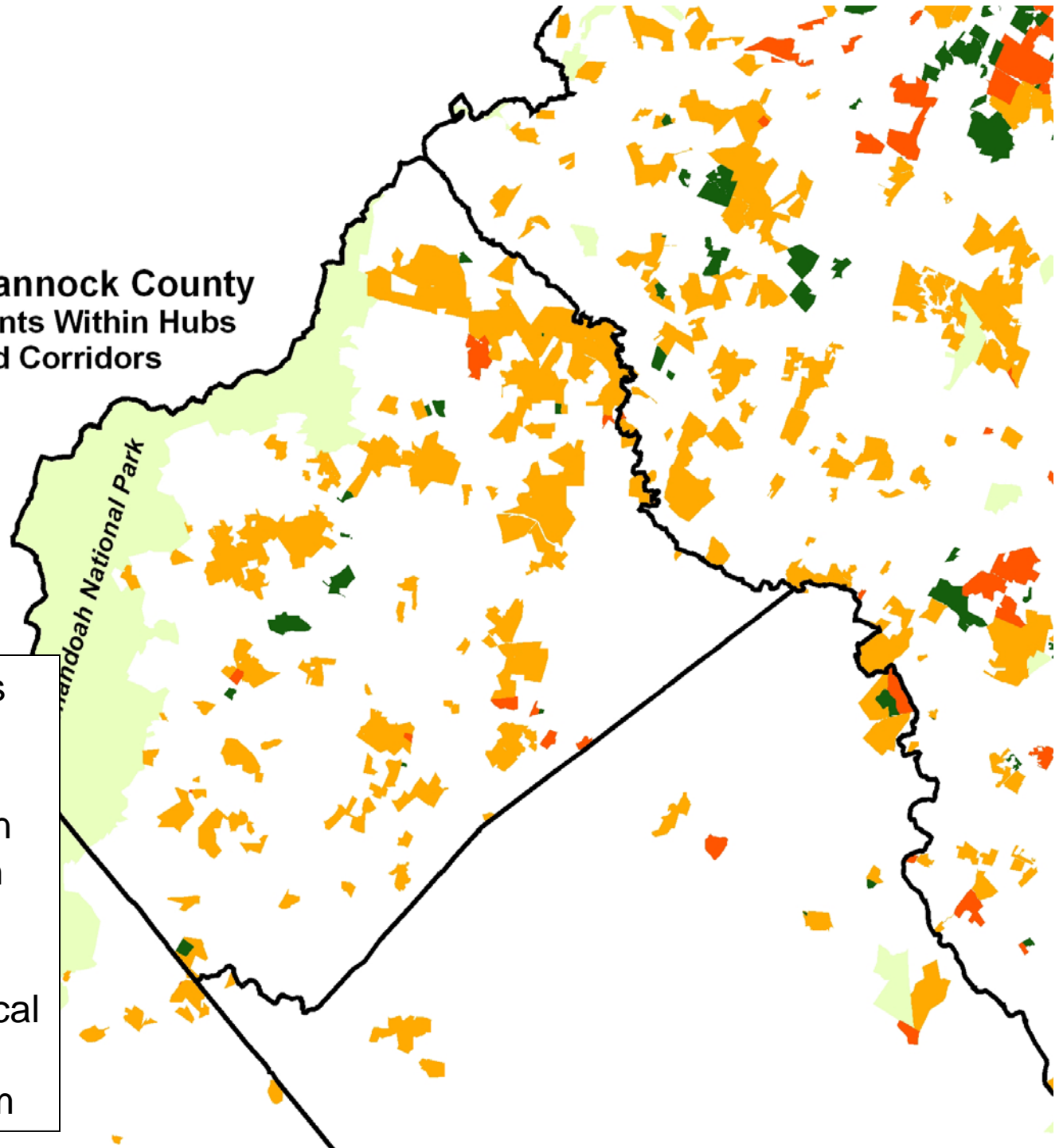
* Department of Taxation: Data on LPTC requests by jurisdiction. Note that data over 33,000 acres conserved through LPTC (13 percent) was not assigned to the bay watershed because data source did not identify specific jurisdiction.

**Rappahannock County
Conservation Lands**

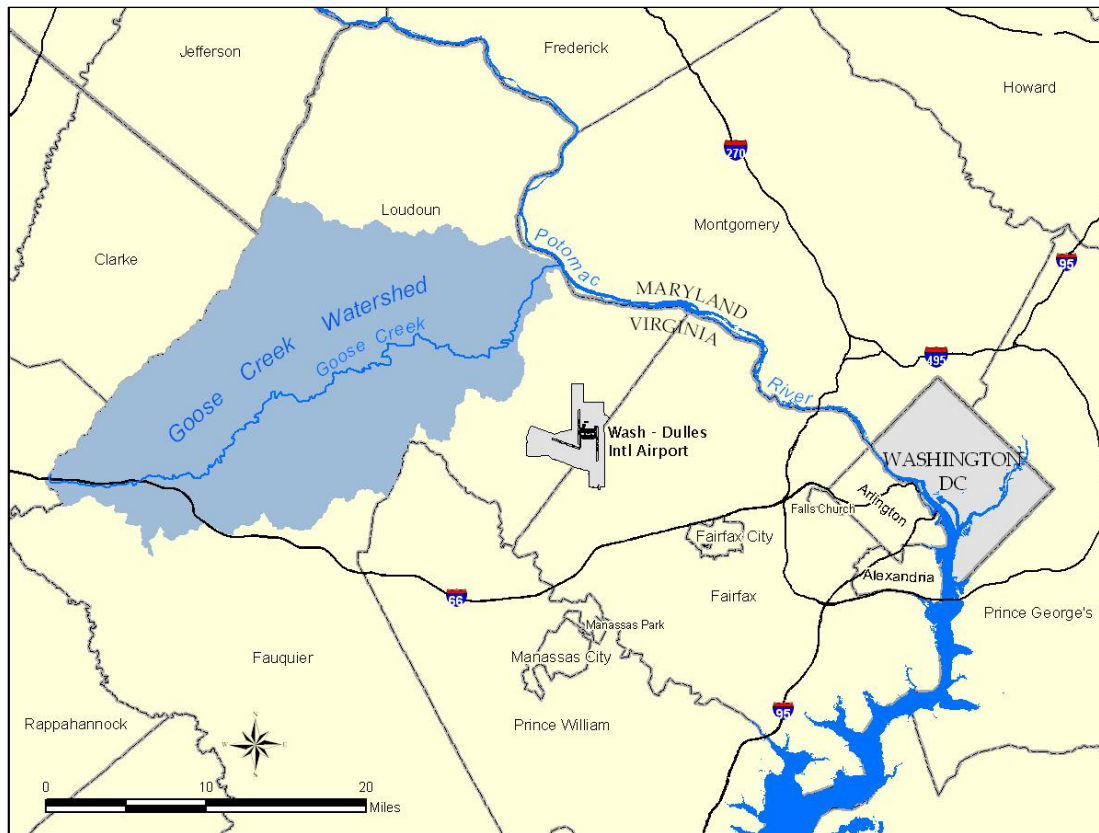


Rappahannock County Easements Within Hubs and Corridors

All of the land in **orange** is an easement that is contained within an ecological “hub”. Lands in **red** contain “corridors”. In Rappahannock County, only a handful do not contain important ecological land as identified by the Chesapeake Bay Program



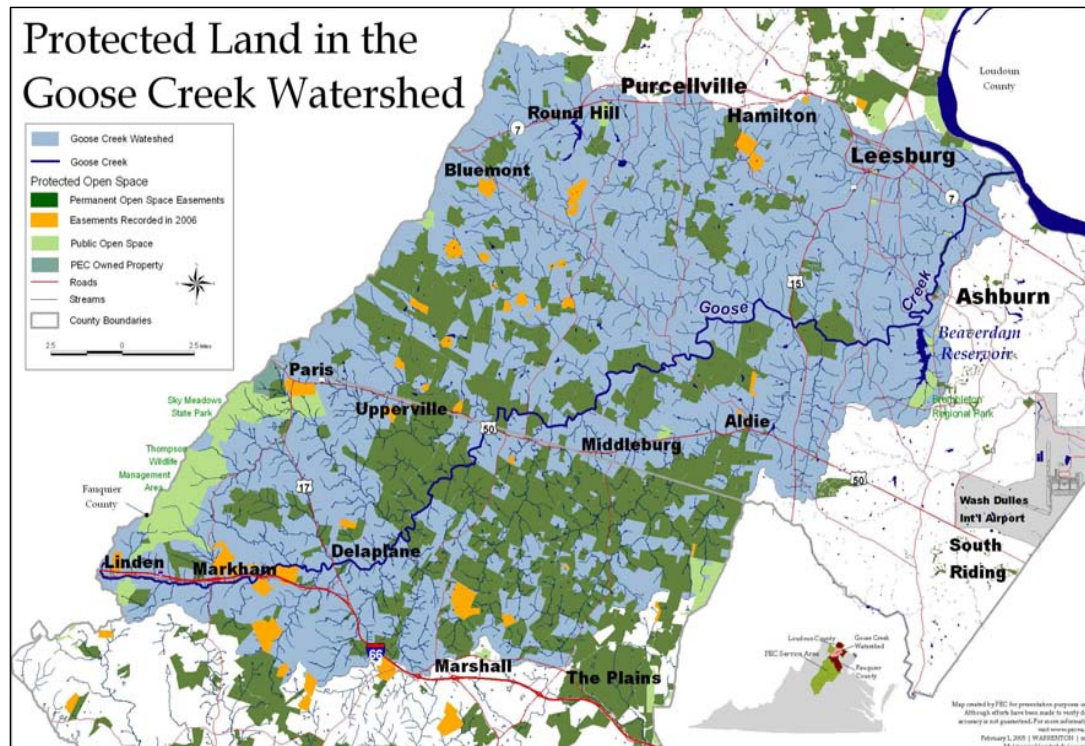
Protecting Water Quality and Supply



Thousands of residents and businesses in eastern Loudoun County and the City of Fairfax rely on the Goose Creek watershed to provide a safe and adequate supply of public drinking water

Goose Creek Watershed

Protecting Water Quality and Supply



- 77,000 acres conserved
- 1/3 of the watershed's area
- More than 31,000 acres conserved since 2000
- Retaining open land and minimizing impervious surfaces
- Preserving forested buffers that protect water quality
- Reducing demand for water

Goose Creek Watershed

See and Experience Our History

Tourism is one of VA's most important industries, with domestic tourists spending over \$16 BILLION annually.

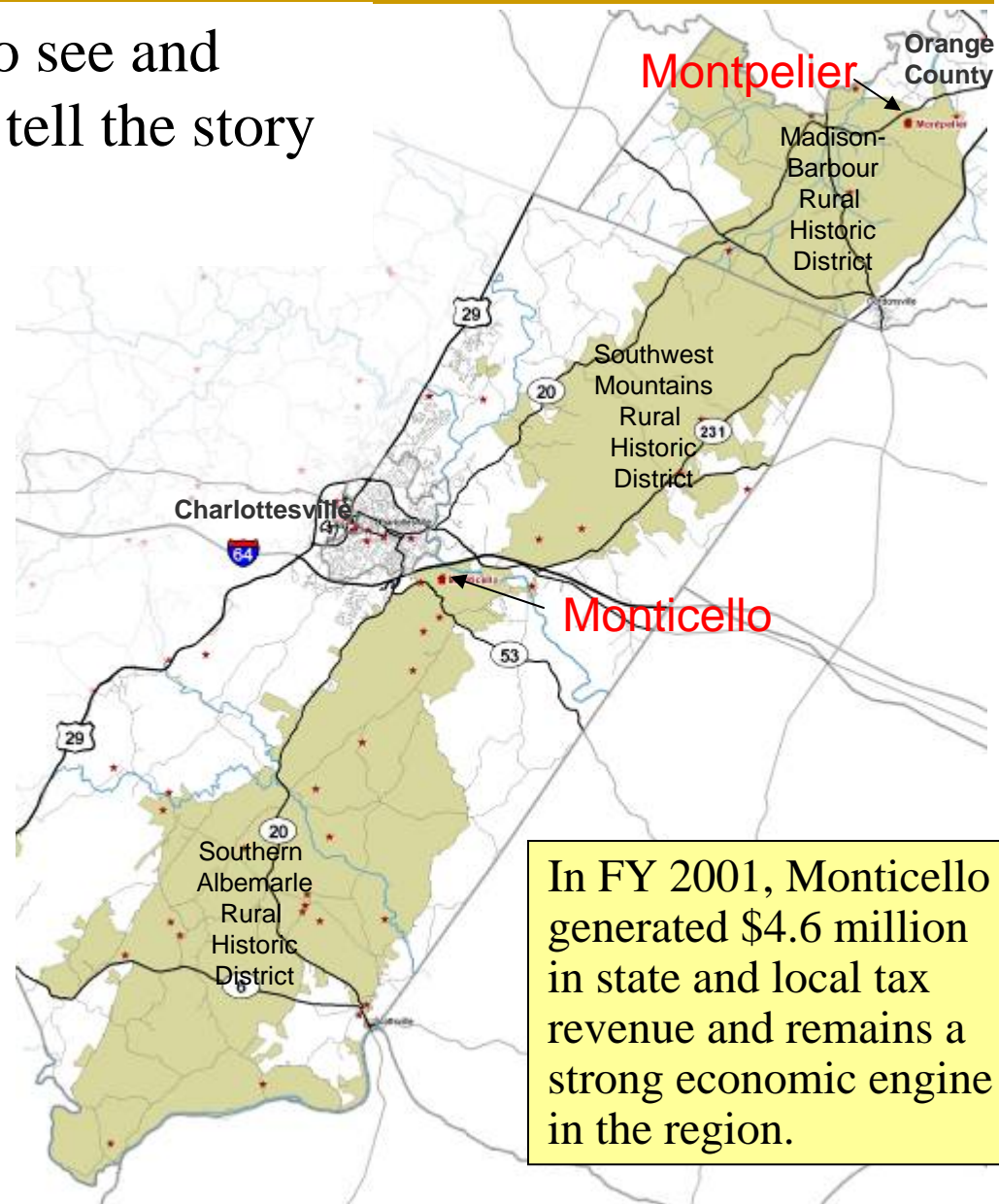


In Virginia, tourism annually accounts for nearly \$700 MILLION in state tax receipts and provides \$435 MILLION in revenue to localities

The connection to land conservation is.....

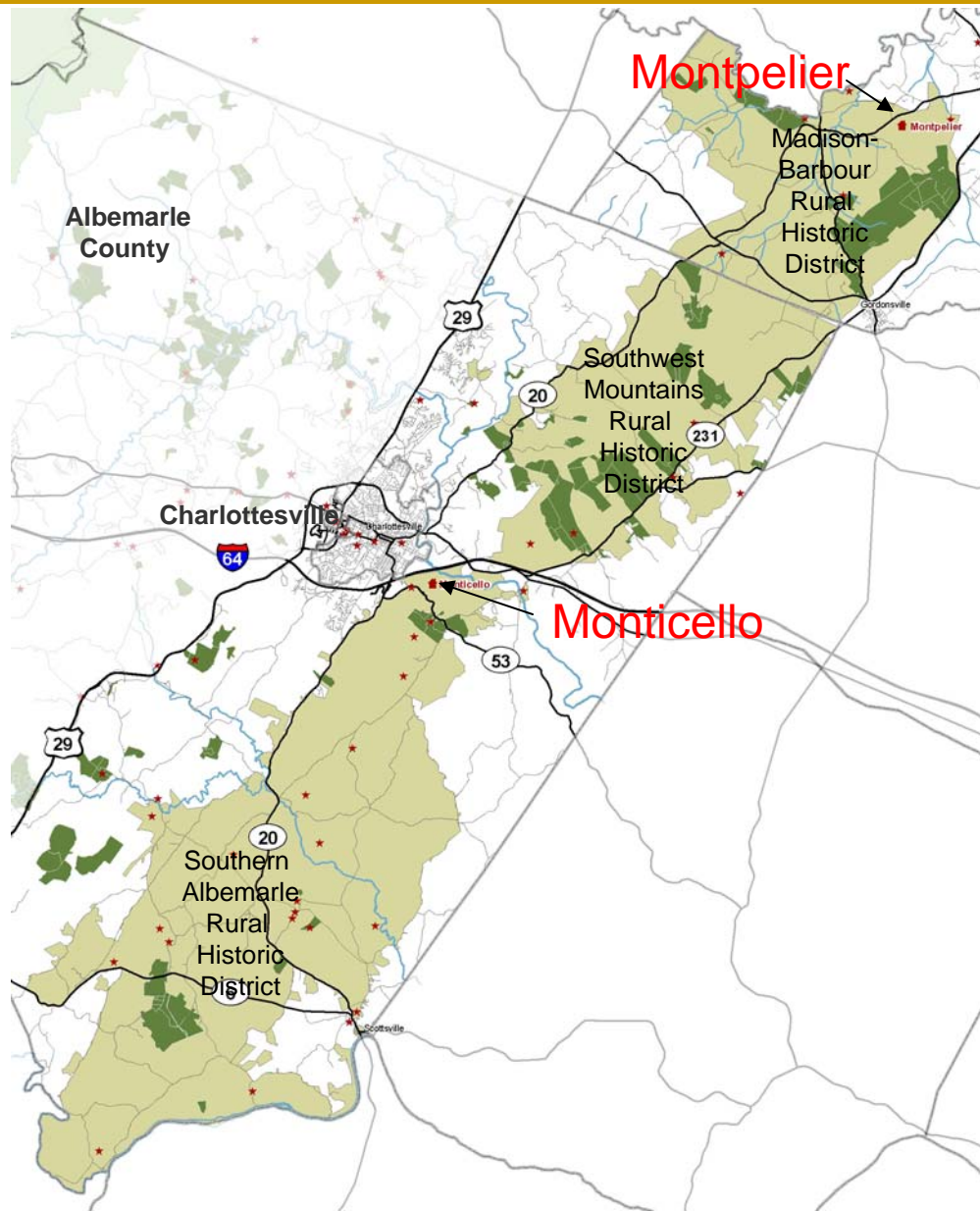
People come to Virginia to see and experience the places that tell the story of our nation's history.

- More than 500,000 people annually visit Monticello, Montpelier and the surrounding area.
- 34% of visitors to Virginia came to visit small towns and rural areas and 28% came to visit historic sites and monuments*

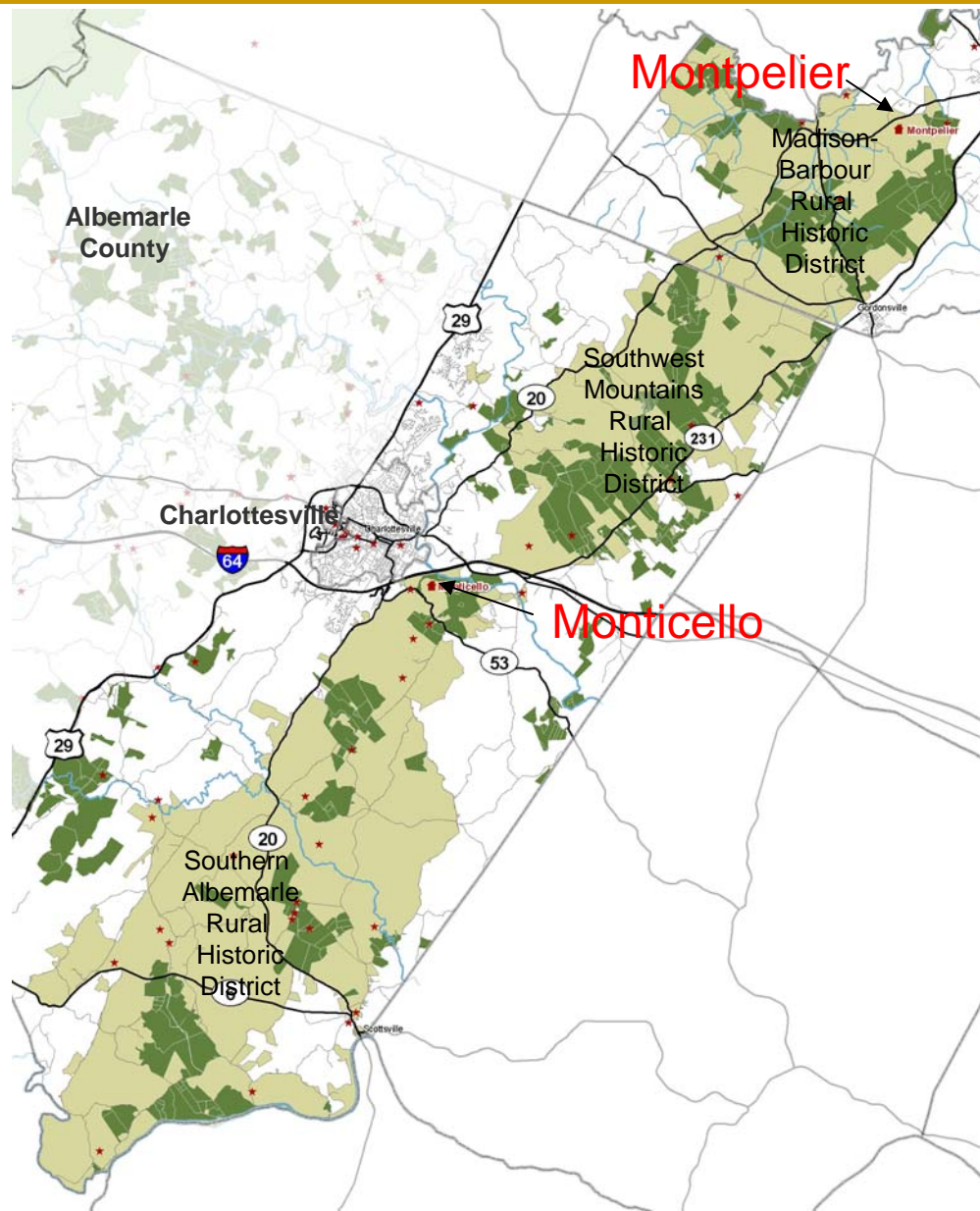


*Shenandoah Valley Battlefields Foundation Tourism Research, 2006

Prior to the LPTC Program in 2000, there were 16,000 acres of land protected within these three rural historic districts.



Since implementation of the LPTC, an additional 25,600 acres have been conserved and now a total of 41,600 acres within one of the nation's most historic landscapes are preserved forever.



Enhancing Recreational Opportunities

Support for land conservation ensures that Virginia's residents and visitors—now and in the future—are able to experience the Commonwealth's uncommon natural beauty.



48% of visitors to Virginia came to enjoy nature and the outdoors*

*Shenandoah Valley Battlefields Foundation Tourism Research, 2006

Enhancing Recreational Opportunities

- Devil's Backbone State Forest
 - Shenandoah County
 - Donation completed in 2006
 - When opened to the public, the property will provide passive recreational opportunities for hiking and wildlife watching



John Hoffman, landowner and donor of Devil's Backbone State Forest

Enhancing Recreational Opportunities

VLCF is bringing state, Federal, and non-profit partners together...



Merrimac Farm protects 300 acres along Cedar Run in Prince William. Conservation supports water quality protection, habitat conservation, and will provide for public access

Merrimac Farm

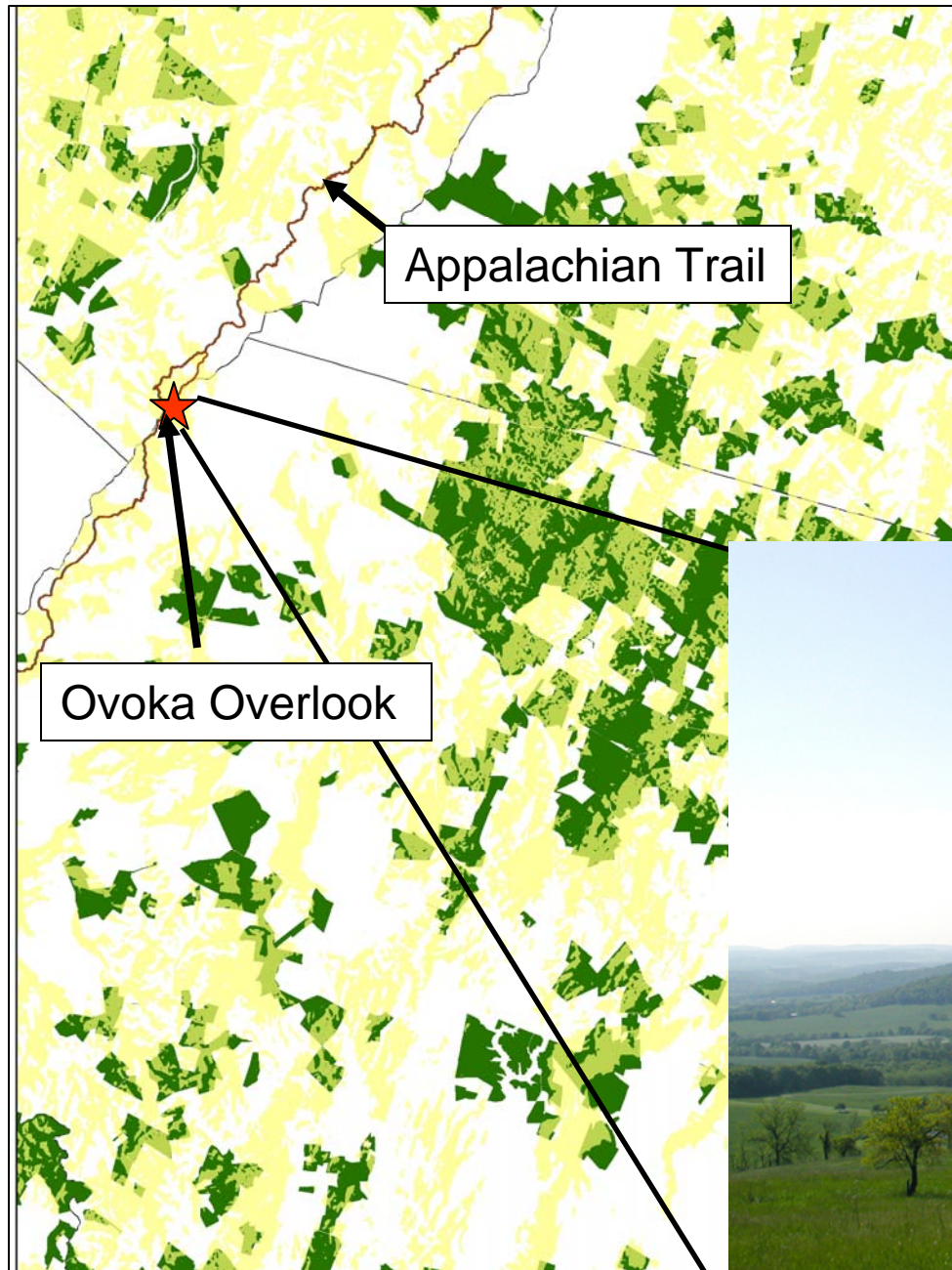
- ❑ Conservation effort led by the PW Conservation Alliance
- ❑ VLCF grant awarded funding in 2007
- ❑ Matching funds provided by U.S. Marine Corps under the Defense Encroachment Partnering program
- ❑ Project selected as a regional conservation priority by the Washington Smart Growth Alliance

Enhancing Recreational Opportunities

- Appalachian Trail Viewshed
 - Thousands of people hike the Appalachian Trail each year to enjoy the views
 - Donated scenic easements are protecting thousands of acres statewide



Photo courtesy of Benjamin Swain



In the northern Virginia Piedmont, more than 130,000 acres of easements protect land visible from the Appalachian Trail, enhancing the natural experience for hikers.



Appalachian Trail's Ovoka Overlook

Conserving Working Farms and Forests

Agriculture and forestry are Virginia's number one industry, annually contributing more than \$47 billion to the state and comprising more than 15% of total employment¹.....



..Yet...Virginia is losing the land that supports this industry. Nearly 68,000 acres of working farm and forest land was converted per year to developed uses between 1992 and 1997².

¹ <http://www.vdacs.virginia.gov/agfacts/index.shtml>; ² National Resources Inventory, USDA/NRCS;

Conserving Working Farms and Forests

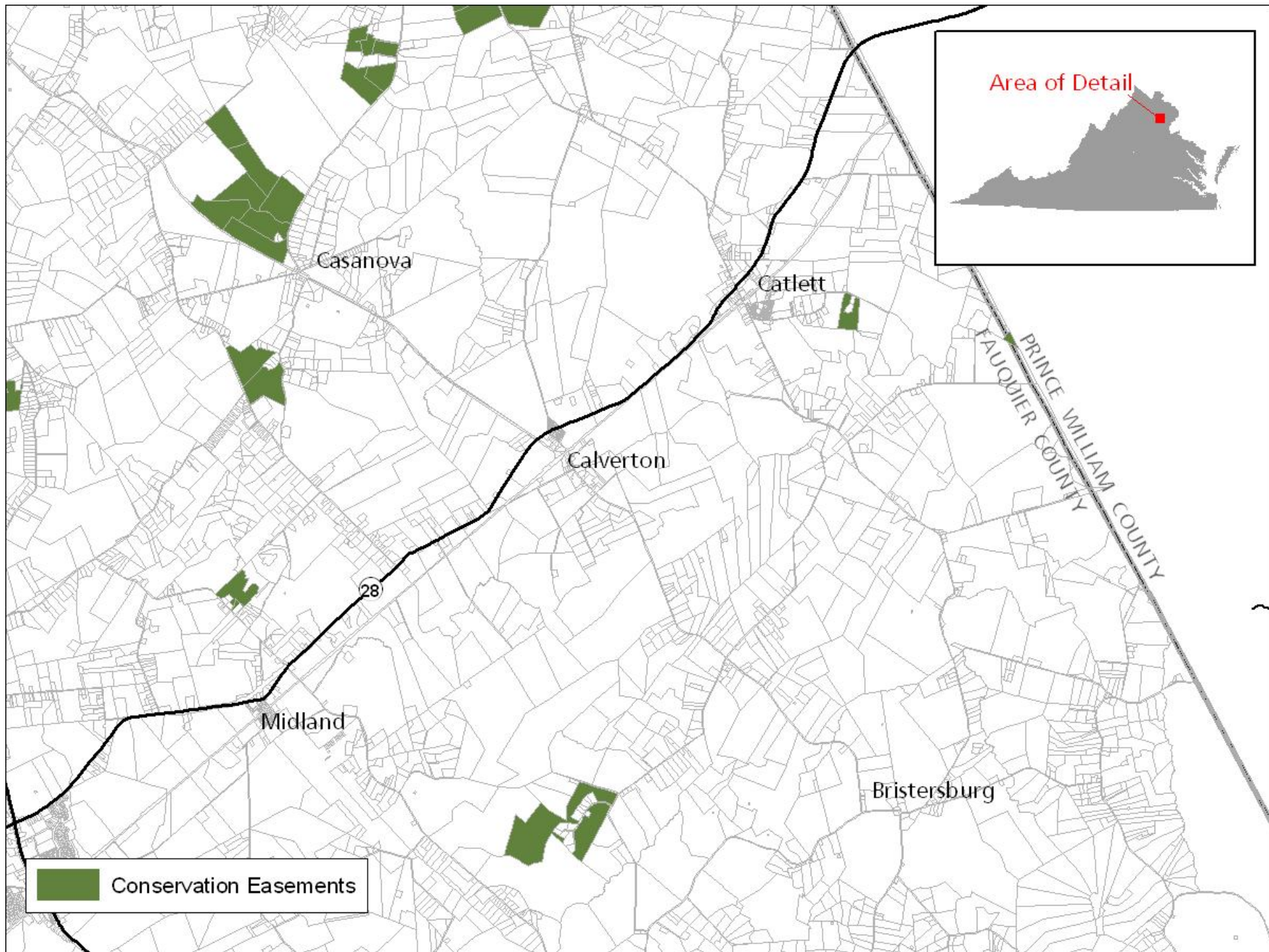
Support for land conservation ensures that the basic inputs for farming and forestry—an adequate supply of land and water—will be available in the future.

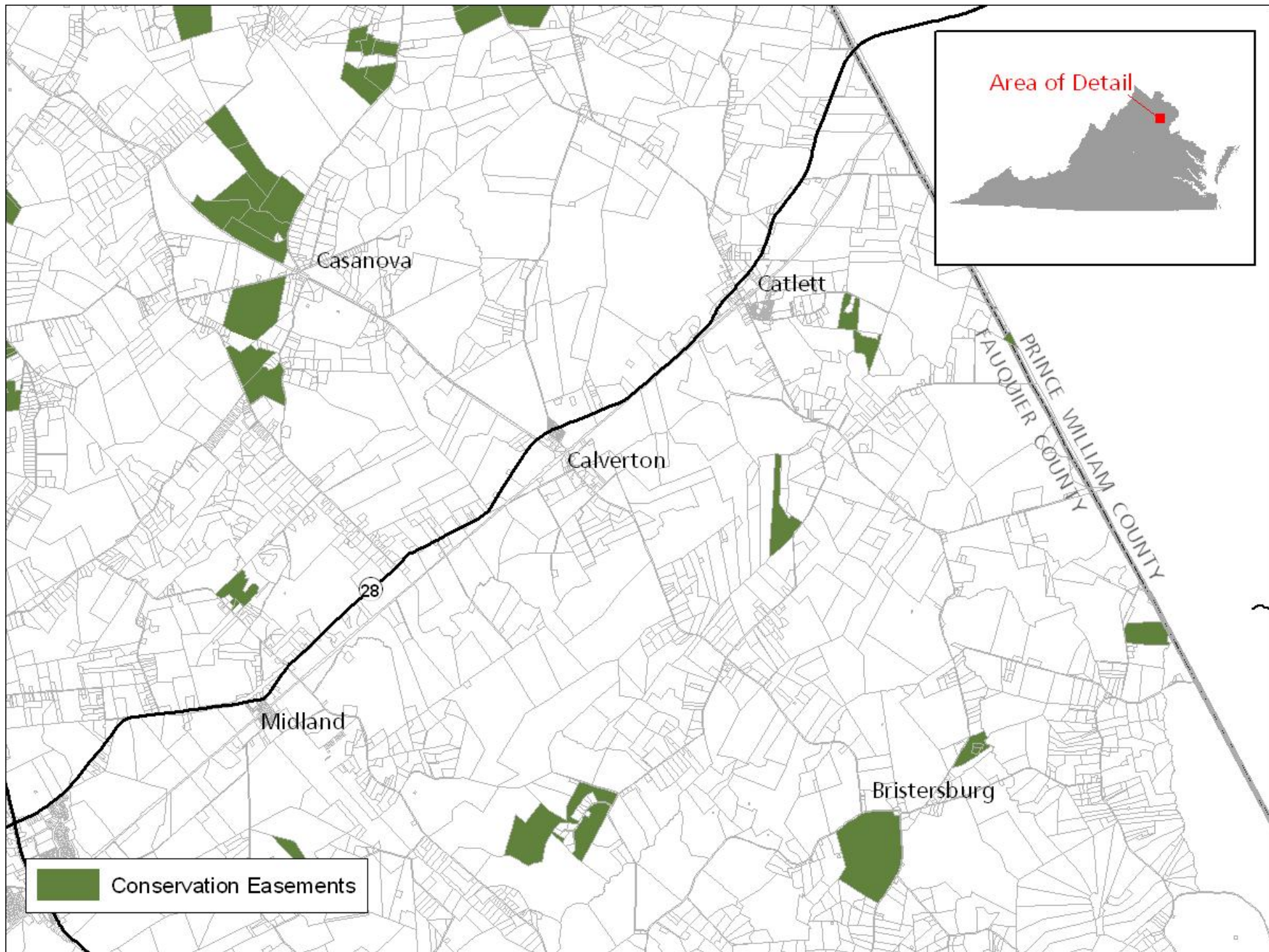


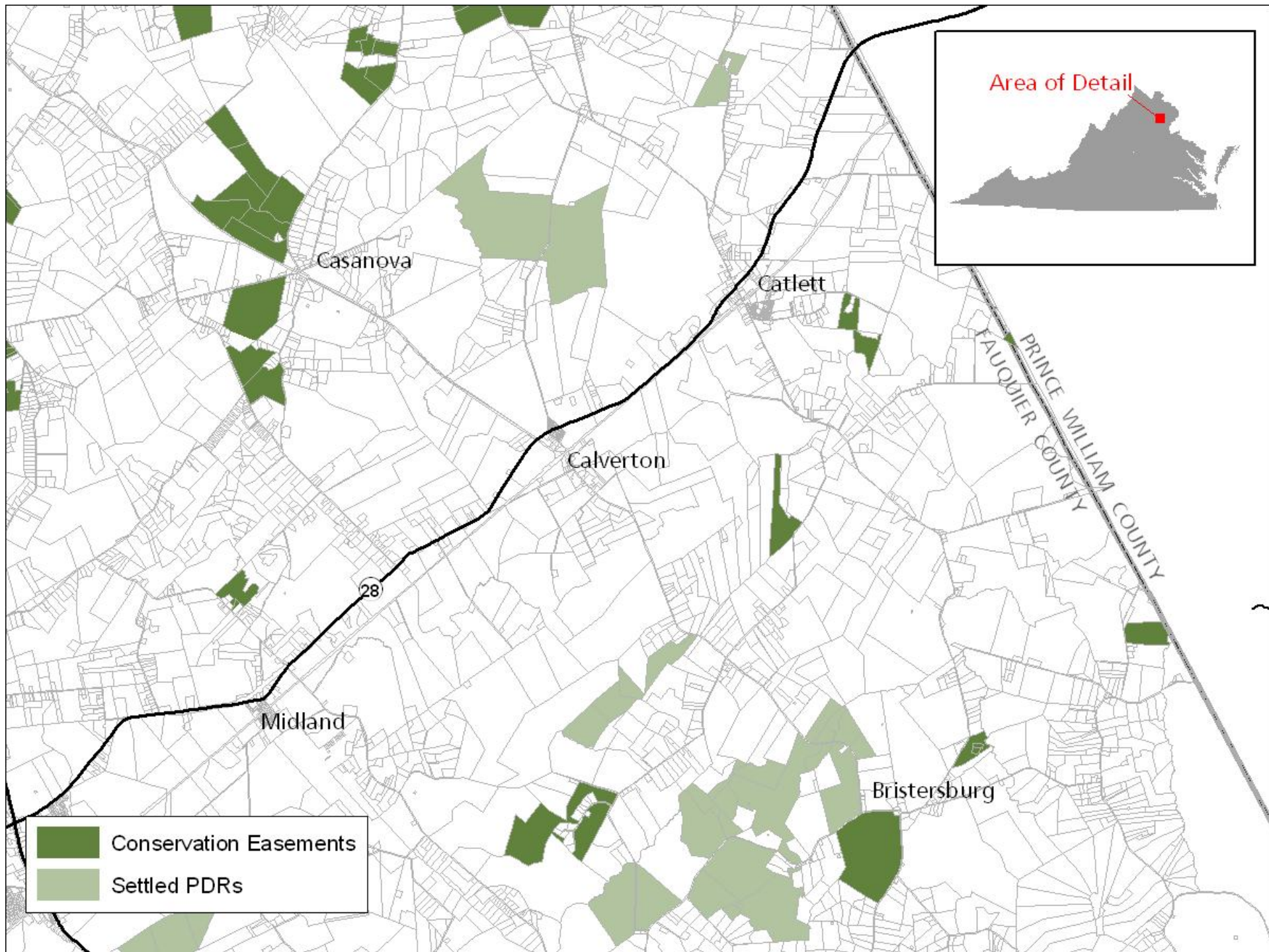
Statewide, VOF easements have conserved 160,432 acres of land containing prime agricultural soils*....

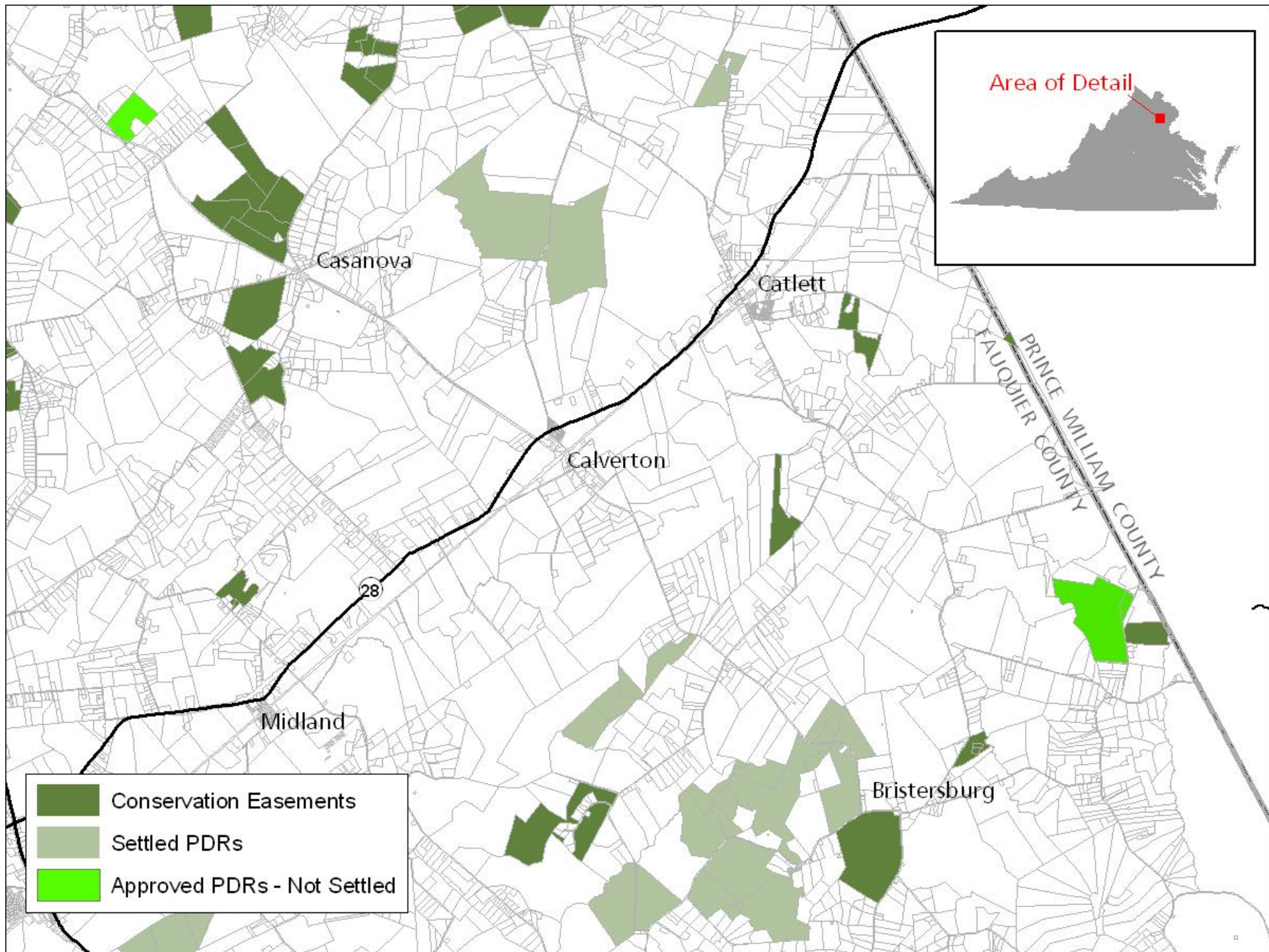
..and support for PDR programs give localities the ability to target working farms and—along with donated easements—conserve blocks of productive farm and forest land.

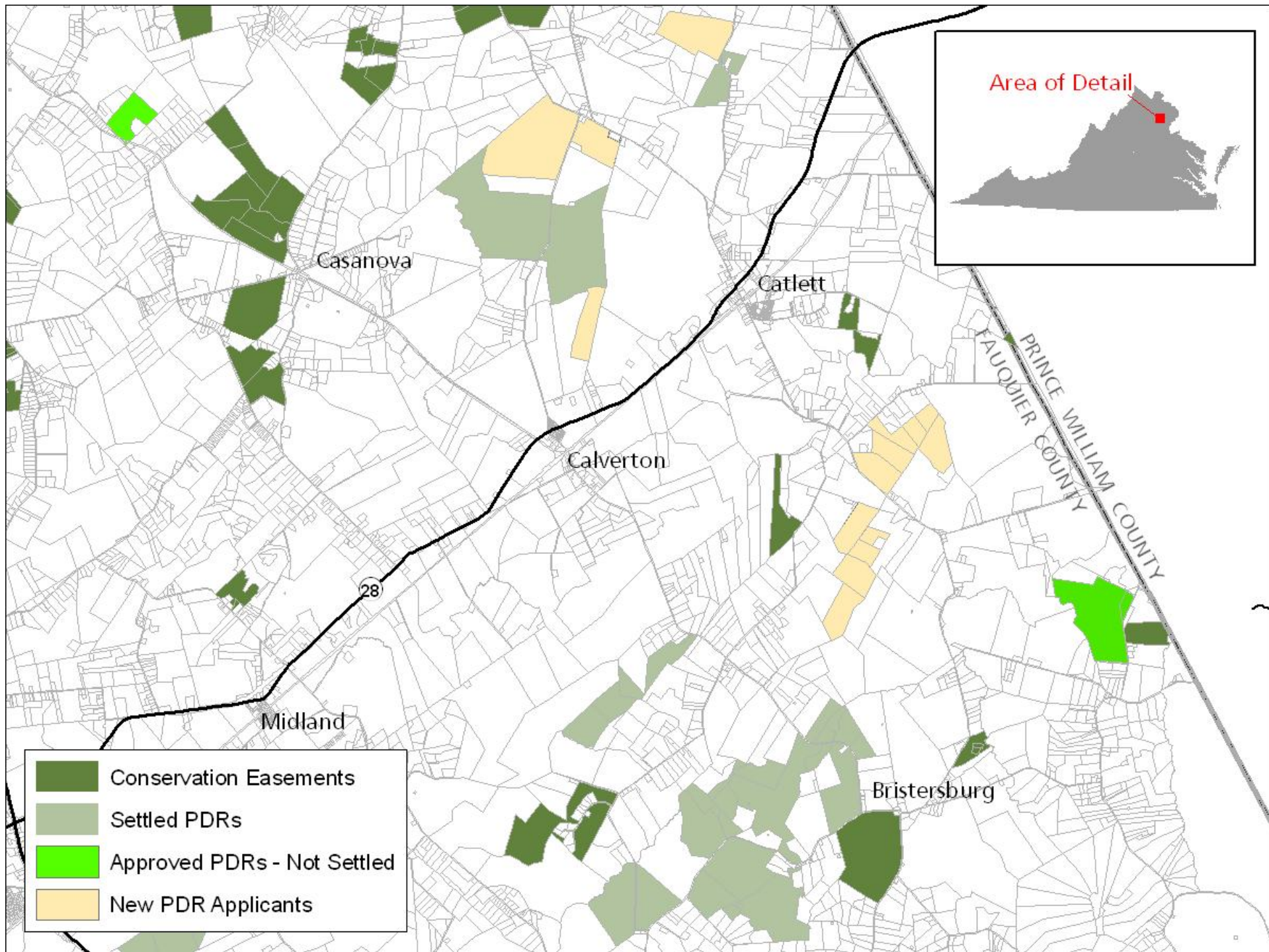
1 <http://www.vdacs.virginia.gov/agfacts/index.shtml>; 2 National Resources Inventory, USDA/NRCS; 3 American Farmland Trust



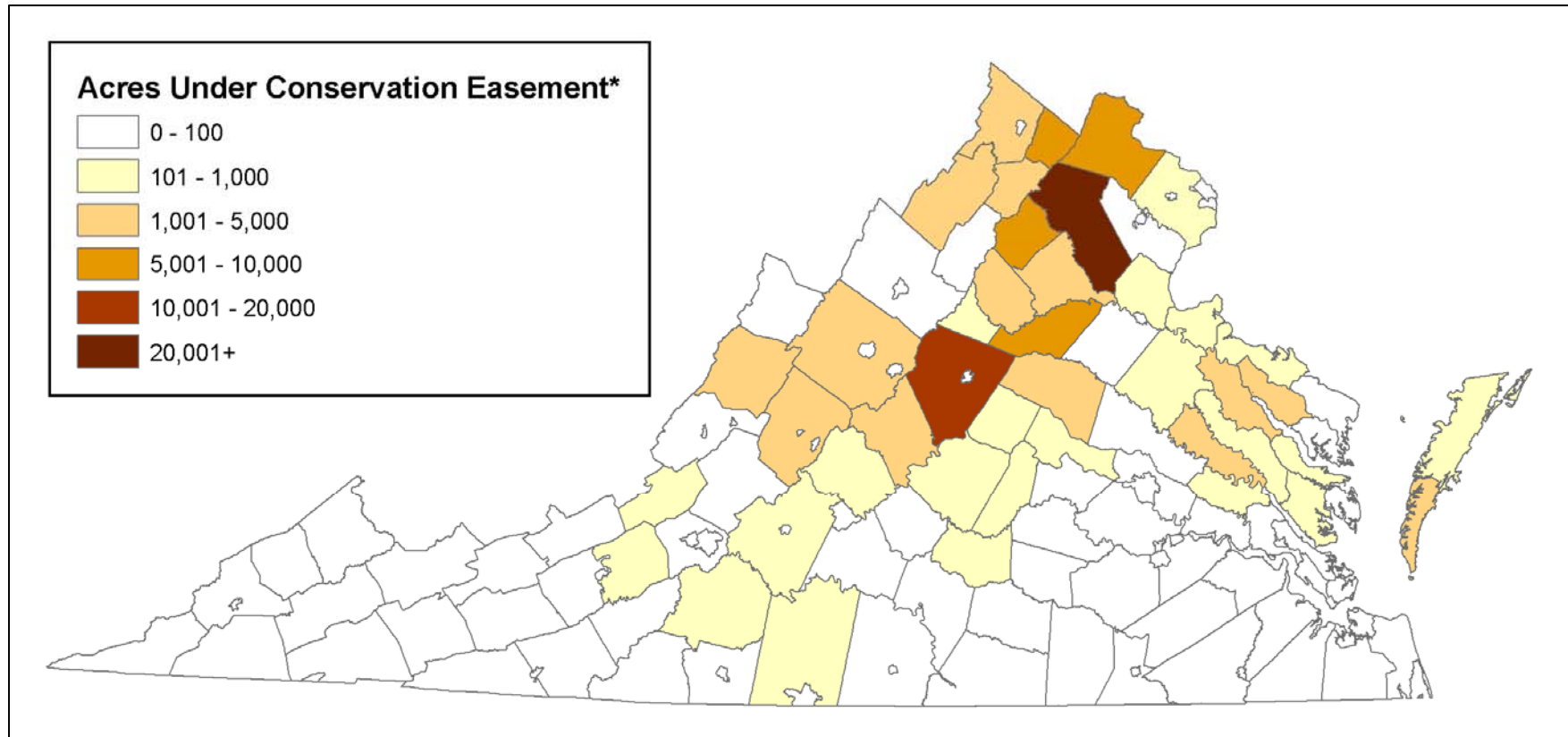






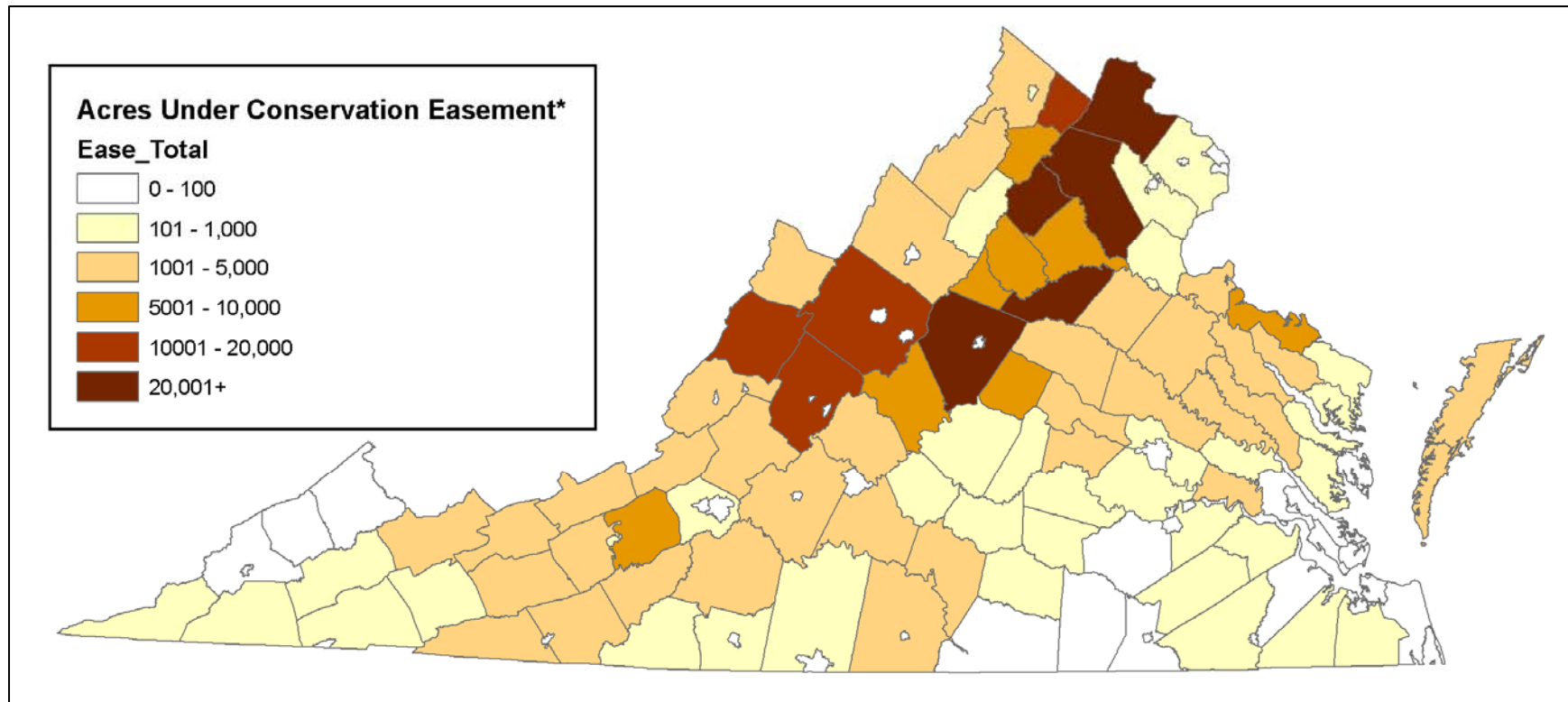


a *truly* statewide land conservation initiative



Prior to the LPTC, conservation easements protected more than 1,000 acres in just 19 localities across Virginia...

a *truly* statewide land conservation initiative



Over the past six years, the number of localities where conservation easements protect at least 1,000 acres has increased to 52 localities, more than 2.5 times the total number of such localities produced in the previous 30 years.

Signs of Success....



- Land conservation is providing a broad range of public benefits to the Commonwealth and its residents
- Strategically conserving land & resources (it's more than just acres)
- LPTC, PDR programs, and VLCF has created a statewide conservation initiative
- In 10 years, land conservation in Virginia has gone from infancy to adolescence

Where do we go from here?

- Achieve the goals in the Chesapeake 2000 Agreement.
 - *Conserve 239,000 acres in the Bay watershed by 2010*
- Conserve lands that support Virginia's economy.
 - *Agriculture*
 - *Forestry*
 - *Tourism*
- Preserve land that make Virginia a desirable place to live.
 - *Safe and reliable public drinking water*
 - *Land for parks, trails, and natural areas*
 - *Scenic landscapes that tell the story of our nation*
 - *Diverse natural landscapes and communities*

Moving to Maturity...

Maximize the power of Virginia's existing "three-legged" land conservation strategy.....

- **LPTC**—Retain the LPTC as currently enacted.
- **Local PDR Programs**—Strengthen the partnership with local governments on PDR programs by providing \$30 million per year for the next ten years.
 - *VADACS Farmland Preservation Task Force recommended making \$1 M per year available for eligible local programs*
 - *Task force goal of 30 local programs by 2010 is achievable*
- **VLCF**—Match the commitment to local PDR programs with similar funding, providing \$30 million per year for the next ten years.

Land Preservation Tax Credit

Why retain the LPTC?

- Unlikely to achieve the Bay Agreement without the LPTC
- LPTC is the most dynamic, cost-effective, and efficient conservation program in Virginia.
 - *Over 260,000 conserved since 2000*
 - *Conservation costs only a fraction of the true cost of land*
 - *Analysis shows achieving strategic conservation objectives*
- 2006 LPTC reforms improve accountability and budget stability.
 - *Annual Cap on LPTC*
 - *Increased review by Taxation and DCR*

Office of Farmland Preservation

Why strengthen the partnership with localities on PDR programs?

- Opportunity to double (or more) Virginia's conservation funding.
 - *Localities ready to commit \$45 M based on \$4.25 VA commitment in 2007*
 - *Secure greater Fed Farm and Ranch Protection Program funds*
- Localities provide “boots on the ground” for conservation.
- Fosters coordination of complementary tools that support working farms and forest.
 - *Local agricultural development offices*
 - *Local land use policies and practices*
- Provide critical alternative to conservation easement donation

Virginia Land Conservation Foundation

Why bolster funding for VLCF?

VLCF has successfully leveraged other funding sources....

VLCF has awarded \$18 million in grants since 2005, spurring \$44 million in non-state funding to complete 29 projects valued at over \$63 million

Virginia Land Conservation Foundation

...but VLCF has not been consistently or adequately funded.

Year	Grant Requests*	Grants Awarded*
1999	\$5.8	\$1.7
2000**	\$3.4	\$3.4
2001	\$11.2	\$3.9
2002	\$0.0	\$0.0
2003	\$0.0	\$0.0
2004	\$0.0	\$0.0
2005	\$37.1	\$12.7
2006	\$0.0	\$0.0
2007	\$24.5	\$6.2
Total	\$82.0	\$27.9

No competitive VLCF grants were awarded in 5 of VLCF's 9 years of existence

Since 2000, VLCF grant requests have exceeded awards by \$54 million

* Millions of dollars

** The Appropriations Act specified funding for 4 projects totaling \$3.4 million

VLCF – What **H**asn't Been Protected?

Recent examples include:

- Available VLCF funding in 2007 = \$6.2 Million
- Requested funding in 2007 = \$24.5 Million
- What didn't get funded?
 - ❑ Dismal Swamp Trail Conservation Area
 - ❑ City of Salem/Roanoke Valley Greenway
 - ❑ Glendale Battlefield
 - ❑ Among others...

Sources of Conservation Funding*

Funding sources used in other states and localities include:

- Annual appropriations
- Recordation / Transfer tax
- Ag Land Transfer Tax
- Parcel / subdivision surcharge
- Income tax
- Sales tax
- State lottery proceeds
- Cigarette tax
- Transient Occupancy Tax
- Water utility surcharge
- General Obligation Bonds

* Source: Land Vote 2006; Trust for Public Land; Funding Sources for State Purchase of Development Rights Programs
By Michelle Groenevelt and Jesse Richardson, JD, Virginia Tech, 2005

Bond Financing for Conservation

Why consider bond financing to support VLCF and assistance to local PDR programs?

- Demonstrates commitment to act now!
- Ability to fund conservation now while the land is still relatively affordable
- Provides consistent and reliable funding, which the current VLCF funding regime lacks
- Addresses inter-generational equity question, as land conserved today benefits both current and future residents

Voter Support for Conservation

According to data from the Trust for Public Land:

- 25 state-wide bond referendums in U.S. since 1998 to fund land conservation
- 92 percent of referendums passed
- Voters approved over \$13 billion for farmland preservation, watershed protection, wildlife conservation, and providing parks and open space
- In VA, 69% of voters in 2002 voted for the *Commonwealth of Virginia Parks and Natural Areas Bond Act of 2002*

Hypothetical Bonding for Conservation

Evergreen Conservation Finance			26-Sep-07		
Commonwealth of Virginia			Schedule 2a		
Farmland and Open Space Preservation Bonds, Series of 2008					
20-Year Bond Debt Service Schedule					
Date	Principal	Interest Rate	Semi-Annual Interest	Semi-Annual Debt Service	Annual Debt Service
01-Jul-08					
01-Jan-09			\$3,509,313.75	\$3,509,313.75	\$3,509,313.75
01-Jul-09	\$6,260,000	3.400%	3,509,313.75	9,769,313.75	
01-Jan-10			3,402,893.75	3,402,893.75	13,172,207.50
01-Jul-10	6,470,000	3.400%	3,402,893.75	9,872,893.75	
01-Jan-11			3,292,903.75	3,292,903.75	13,165,797.50
01-Jul-11	6,690,000	3.450%	3,292,903.75	9,982,903.75	
01-Jan-12			3,177,501.25	3,177,501.25	13,160,405.00
01-Jul-12	6,925,000	3.450%	3,177,501.25	10,102,501.25	
01-Jan-13			3,058,045.00	3,058,045.00	13,160,546.25
01-Jul-13	7,160,000	3.500%	3,058,045.00	10,218,045.00	
01-Jan-14			2,932,745.00	2,932,745.00	13,150,790.00
01-Jul-14	7,410,000	3.550%	2,932,745.00	10,342,745.00	
01-Jan-15			2,801,217.50	2,801,217.50	13,143,962.50

- Bonding \$600 M for 10 year initiative
- 3 bonds of \$180 M (YR 1), \$240 M (YR 4), and \$180 M (YR 7)
- Initial annual debt service cost \$13.2 M for \$180 M
- Max annual debt service \$43.9 M with 20YR bonds (\$36.7 M with 30YR bonds)

There are Costs of Inaction!

A commitment to conserving important land and resources is not free. But the cost pales in comparison to...

- The cost of failing to meet the Chesapeake Bay Agreement
- The cost of losing the basic inputs for Virginia's largest industries—agriculture and forestry
- The cost of losing the scenic and historic landscapes that bring tourists (and their dollars) to Virginia
- The cost of mitigating degraded watersheds, especially those that are critical to a safe and adequate supply of public drinking water



Questions?

