



Land for Maine's Future Program
Minutes of the Meeting
July 15, 2013

Department of Agriculture, Conservation & Forestry
Maine Forest Service Bolton Hill Facility, Augusta, Maine

Board Members Present:

Bill Vail, Chairman	Norman Gosline	James Gorman, Jr.	James Norris
Walter Whitcomb	Patrick Keliher	Ben Emory	Diane Doyle

Board Members Absent:

Chandler Woodcock James Connolly (attended for Chandler Woodcock)

Staff Members Present:

Sam Morris Tom Miragliuolo R. Collin Therrien Ed Meadows

Others

Shannon Ayotte, DACF Commissioner's Office
Kathy Eickenberg, DACF Div. of Parks and Lands
Tom Abello, The Nature Conservancy
Jeff Romano, Maine Coast Heritage Trust
Mike Lane, Preti Flaherty
Sarah Demers, Inland Fisheries and Wildlife
Angela Twitchell, Brunswick-Topsham Land Trust
Diano Circo, Trust for Public Land
Stephanie Gilbert, DACF
Bill Bayreuther, William A. Bayreuther Grant Writing
Eliza Donoghue, NRCM
Lindsay Bourgoine, Appalachian Mountain Club
Dick Clime, Coastal Enterprises Inc.
Gary Dion-Bernier, Dept. of the Navy

1. Welcome and Introductions

Chairman Vail called the meeting to order, welcomed everyone and asked for introductions around the room.

2. Minutes of the Previous Meeting

Motion: by Diane Doyle, 2nd by Jim Gorman to accept the May 21, 2013 minutes of the meeting. Passed unanimously.

New Business

3. Update on sale of unissued bonds

Mr. Meadows gave an update on the unissued bonds. The Governor has agreed to have unissued bonds move forward. Agencies were asked to make a projection of when they would need funds, and the amounts needed. The FY14 LMF bond needs have been provided to the State Treasurer.

A discussion ensued regarding the timing of the bonds and how quickly they are sold once issued.

4. **Balance of Funds remaining in LMF accounts as of May 31, 2013**

Mr. Meadows presented *an update* on the balance of funds as of the end of May. Bonds sold authorized in 2010 and 2012 and not yet sold total \$12,425,000. As of 5/31/13 cash on hand authorized in 2008 is \$2,204,211 and authorized in 2010 is \$674,660.

5. **Update on Closings**

Mr. Meadows updated the Board on projects that have closed since the last meeting. These include Winter Hill Farm, Penobscot River Water Access and Crocker Mountain.

6. **Status of Active Projects for Available Funds**

Mr. Meadows presented a spreadsheet on the projects that are anticipated to close in 2013. He reported that the department has determined that funds being reserved to match 3 federal Forest Legacy projects would not be needed for several months, at least. Therefore it was not necessary to reserve those funds at this time, and that other pending projects could go forward, as listed on page 2 of Attachment B. The consensus of the Board was to move forward with the projects that had been delayed, and not continue holding funds to match the Forest Legacy projects. The Forest Legacy projects will be moved to page 2 of Attachment B. At such time as the US Forest Service makes a determination on those projects, the Board will discuss reallocating funds to them at that time.

7. **Working Waterfront Project to be Voted On, Beals Town Landing, Beals, Washington County**

Mr. Miragliuolo presented the details of the Beals Town Landing project.

A discussion ensued about the town pre-acquiring the final of the 8 parcels, the last being the property with a large dilapidated structure that will be taken down. LMF is assisting with the purchase of the covenant to ensure continued working waterfront use of the parcels. Commercial waterfront related uses will be the priority of the project. Staff notified the Board of the applicants' request to increase allocation to this project up to 25% of the appraised value. Mr. Vail asked if this was the first time that Working Waterfront program had invested in a landing already owned by a town. The response was that the WWF program has done this previously, and the key reason is to ensure the site is protected in perpetuity for waterfront related uses.

Appraisal Review Committee (ARC) Recommendation

Mr. Emory presented the report of the ARC stating that the committee accepts the appraisal at \$643,000.

Public Notice

On July 2nd, in the Kennebec Journal and July 3rd in the Bangor Daily News Downeast edition.

Public Comment

Comm. Keliher stated that DMR supports this project and provided written and verbal comments in support of the increase in the project's allocation.

Motion: by Comm. Whitcomb, Mr. Norris 2nd, to accept the recommendation of the ARC to accept the appraiser's value of the Beals Town Landing property at \$643,000.00 and to further approve allocation of \$160,750.00. Passed unanimously.

8. **Project Amendments – Water Access, Penobscot River Restoration Trust pending transfer**

Mr. Miragliuolo presented an overview of the project which includes the Eddington site and the Orono site.

Motion: by Mr. Emory, Comm. Keliher 2nd, to authorize the conveyance of fee simple title from the Penobscot River Restoration Trust to the Town of Eddington. An LMF project agreement will encumber the property and be held by the Div. of Parks and Lands of the DACF. Passed unanimously.

Motion: Comm. Keliher, Ms. Doyle 2nd, to authorize the conveyance of fee simple title from Penobscot River Restoration Trust to the Town of Orono. An LMF project agreement will encumber the property and be held by the Div. of Parks and Lands of the DACF. Passed unanimously.

9. Conservation and Recreation Project to be Voted on, Pleasant Bay Wildlife Management Area (Round 7), Big Dick North Parcel, Addison, Washington County

Ms. Therrien presented an overview of the project, which proposes funds for acquisition by DIFW of 51.6 acres at the Pleasant Bay Wildlife Management Area in the Town of Addison, Washington, County.

Appraisal Review Committee Recommendation

Mr. Emory presented the report for the ARC stating that the committee found the appraisal to be conducted in accordance with the board's appraisal standards and recommends approval of the value at \$665,000.

Public Notice

On July 2nd in the Kennebec Journal and July 3rd in the Bangor Daily News Downeast edition.

Comm. Keliher asked if there are other parcels in this area that IF&W is interested in bringing forward for Board action, and whether all parcels were owned by the same owners. Sarah Demers stated that nothing has changed with the project, DIFW is only recommending allocation of funds at this time for this one parcel and that there are multiple owners of the parcels involved in the PBWMA project. Mr. Keliher referred to concerns expressed by some Board members about the parcels and valuation issues. It was recommended DIFW continue discussions to address those concerns.

Discussion ensued regarding ownership of the various parcels associated with this project and if this was considered a subdivision. Sarah Demers responded that these parcels are exemptions from subdivision law. Jim Connolly of IFW added that IF&W has researched extensively using experts in this type of transaction to confirm these are not subdivisions. Norm Gosline asked for this information in writing. Ben Emory added that he has complete confidence in the Department's due diligence and complimented their thoroughness. Jim Norris asked about federal funding. Sarah Demers confirmed it has been approved.

Motion: by Mr. Norris, Ms. Doyle 2nd, to approve the recommendation of the ARC to accept the appraiser's value of the BDN property at \$665,000.00. Passed with Mr. Gosline in opposition.

Motion: by Mr. Norris, Mr. Emory 2nd, to authorize funding in the amount of \$298,500.00 in Conservation and Recreation funds to support IF&W's acquisition of the BDN parcel subject to standard conditions. Passed with Mr. Gosline in opposition.

10. Report of the Appraisal Review Committee on appraisal procedure

Mr. Emory presented an overview of the Special Meeting of the ARC that was convened this morning to discuss in detail certain issues related to appraisal procedures for projects with LMF funding. This meeting was in follow up to previous discussions and recommendations in 2011-2012, and a discussion document dated April 20, 2012. The agenda for the meeting is attached and made part of these Minutes.

The committee discussed appraisal and appraisal review procedures, the mission of the committee and alternatives to the current procedures. Representatives from several stakeholder groups participated in the discussion and made recommendations they feel would be beneficial to an efficient process, which would also maintain current quality control standards in the existing procedures.

A summary of the topics was presented:

Committee name. Mr. Gosline explained that review of appraisals is governed by the federal Uniform Standards of Professional Appraisal Practice (USPAP). He discussed his concerns that what the ARC does in evaluating appraisal reports is not technically a "review" intended to conform with USPAP standards and therefore could be

confusing to the public about ARC's role. He recommended the name be changed to "Appraisal Oversight Committee," as more reflective of how the committee actually functions in discussing appraisals and the values recommended by the independent appraisers.

The committee discussed its desired role in the appraisal process, the need to ensure quality control of appraisals, the importance of maintaining public confidence in the LMF program and the need for having appropriate safeguards in place. ARC members clearly stated their role is not to perform reviews that meet USPAP standards, rather they are looking to ensure that the public's money is appropriately spent. It was noted that currently there are ARC members who have a great deal of appraisal experience and there is more concern with the format and presentation of the report than was the case in recent years. Following discussion, the committee voted 4-0 to recommend the LMF Board change the name to "Appraisal Oversight Committee."

Review of appraisals by independent 3rd party reviewer. Mr. Gosline recommended that all LMF related appraisals be subject to a separate review by an independent professional 3rd party reviewer. He described instances where appraisals had errors, omissions or other deficiencies (not all of the examples pertained to LMF appraisals, but were offered as examples of problems that can occur).

Mr. Morris presented an analysis of all LMF appraisals over the previous two years, which showed that a minority of appraisals needed clarification, or additional work done, and that most appraisals were accepted once the additional data was provided. Two appraisals were rejected by the ARC and had to be redone at applicant expense. Problems are exception to the rule.

Discussion ensued, including participation by the stakeholder groups. It was noted that all Working Waterfront projects require a contracted 3rd party review. Most projects involving federal funds are subject to review by the federal agency, or other federal review requirements. There was discussion of accepting the review by the federal reviewer for cases involving federal funds which require federal review. No decision or action was taken by ARC on the question of accepting the federal review.

Following extensive discussion, the committee voted 3-1 to recommend that the LMF Board not make changes to the current appraisal review requirements, with the option that the ARC or Board could require such review on any case they feel it is needed. Mr. Gosline opposed.

Appraisal requirements. Currently LMF requires appraisal reports to be in the form of "complete summary report in narrative format" prepared by a state certified general appraiser (most advanced level) for all projects. These reports take a lot of time to assemble and are expensive.

Based on experience working with other states, Mr. Meadows suggested that a simpler report might be adequate in certain cases, such as smaller projects where data on comparative sales is easily obtained and where the appraisal question is not as complex as an appraisal for a large, landscape scale project. Stakeholders commented that cases where LMF funding is a minor percent of the total project also might warrant a simpler report. Finding qualified appraisers willing to do work on land conservation transactions is getting more difficult. Simplifying the reporting requirements could help attract new appraisers to work on conservation projects.

It was suggested that the LMF appraisal standards be clearly explained in the "Proposal Workbook" and that a sample Scope of Work for appraisals be included.

The committee empowered the staff to identify potential alternative appraisal format requirements that could streamline the process, while still maintaining needed standards. Additionally, Mr. Meadows and Mr. Gosline will discuss ideas for meeting with appraiser organizations to explore ways to increase the pool of potential appraisers for conservation projects.

Mr. Norris suggested the staff consider the possibility of creating a database using appraisal report data, such as price per acre, location, project type and other factors. This data could assist the ARC and Board in its review of projects. Having this data available to appraisers might increase the number of appraisers interested in working on conservation projects, if they knew of the existing data. Staff commented that the data is available if anyone wants to view it and that no recent request had been received.

Motion: by Mr. Emory, Ms. Doyle 2nd, to approve that the name of the ARC be changed to the LMF Appraisal Oversight Committee. Passed unanimously.

Motion: by Mr. Norris, Ms. Doyle 2nd, to accept the recommendation that there be no change in the procedure of third party reviews. Passed, Mr. Gosline opposed.

Motion: by Mr. Norris, Mr. Gosline 2nd, to accept the recommendation that the LMF staff develop tiered appraisal criteria. Passed unanimously.

11. Initial Board discussion on upcoming round

Mr. Meadows presented an update on the next round of proposals and funds available. He indicated that staff are starting to revise the Proposal Workbook, and other documents to be updated for the new round. He presented a draft timeline, indicating recommendations could be ready for discussion at the September 17th board meeting, with possible adoption of criteria and a time table at the November 2013 meeting. Sarah Demers asked that time constraints of end of year closings be considered in timing of the next round. Mr. Meadows stated that the turnaround for review of applications, once received, should be 2-3 months.

Mr. Meadows discussed the statutory language from Chapter 696, Public Laws of 2011 which requires that "Deer Wintering Areas" (DWA) be given preference in scoring, and that DACF & IF&W are to be proactive in habitat conservation with the \$5,000,000 approved by voters in November 2012. He distributed a memorandum from the Attorney General's office on that bond statute. DWA are defined as 500 acres, or contiguous with conservation land, used by deer at some point since 1950 or capable of providing shelter for deer within 20 years. Once acquired the DWA are to be managed using IF&W protocol.

Commissioner Whitcomb asked if having the criteria and priorities for scoring at the next Board meeting would be helpful to move the process forward. Chairman Vail said it would be very helpful to have recommendations available at the next meeting. He asked for a committee to form to deal with updating scoring criteria, and how to address the priority for scoring deer wintering areas specifically.

Commissioner Keliher stated that discussion is needed regarding the legislative intent of deeryards fitting into scoring criteria. Mr. Meadows stated that discussion also will be needed with IF&W to develop the protocol regarding DWA and responsibilities for how they will be managed.

LMF staff will work with DIFW to set up a meeting for a work group on deer wintering areas, with IFW to present information. Input will be requested from the public. Jim Norris, Jim Gorman, Norm Gosline, Patrick Keliher and Bill Vail volunteered for this committee.

A member of the audience asked that dates of meetings for this workgroup be posted on the LMF website.

Chairman Vail asked for interested parties and staff to join in this discussion of scoring priorities. He said the board and staff need to revisit the economic benefit aspect and what is required to justify economic value. This involves the Scoring and Nominating committees. Ms. Doyle concurred. Mr. Emory discussed the differences in function between the Scoring and Nominating committees, noting that scoring is only one of the factors used by the nominating committee.

Chairman Vail stated that his understanding was that the Nominating committee reviews scores provided by the Scoring committee. He recalled a time when there was a three hour discussion in a previous round and urged that there be established ground rules. He asked what an adequate number of members would be for the committees.

Mr. Meadows distributed a list of committee with current and former members. He stated that there is a need to bring these committees up to full rosters. He pointed out that there is currently no one serving on the Easement Review Committee. Kathy Eickenberg stated that the Orbeton Stream project will need an easement review in the near future.

Discussion of committees ensued, with Board members indicating their interest in serving. Following discussion, the updated list of current committees and members consists of:

Appraisal Oversight Committee: Ben Emory, Chair, Diane Doyle, Norman Gosline, Jim Norris

Scoring Committee: Ben Emory, Chair, Diane Doyle, Patrick Keliher

Nominations Committee: Norman Gosline, Jim Norris, Walt Whitcomb, Chandler Woodcock

Easement Review Committee: Ben Emory, Norman Gosline, Jim Norris, Bill Vail

Deer Wintering Area Work Group: Jim Gorman, Norman Gosline, Patrick Keliher, Chandler Woodcock, Bill Vail

12. Staff Updates

Mr. Meadows reported he visited the Prospect Holdings Working Waterfront project at Gouldsboro and it was rewarding to observe the activity there, with new jobs made possible by LMF investment in the site.

LMF staff will move from the Harlow building to the Deering building. Telephone numbers will stay the same.

Mr. Meadows advised that the new quorum requirement passed by the legislature will go into effect October 9, 2013, changing the number of members necessary for a quorum from 7 to 5.

The next LMF Board meeting is scheduled for September 17, 2013 at 1:00 p.m. at the DACF Bolton Hill Facility.

Adjournment: 3:12 p.m.