



Land for Maine's Future Program
Minutes of the Meeting
November 19, 2012

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

Board Members Present:

Don Marean, Chair
James Gorman, Jr.
Chandler Woodcock

Diane Doyle
Ben Emory
Walter Whitcomb

Norman Gosline
Bill Vail

Board Members Absent:

Patrick Keliher

LMF Staff Members Present:

Sam Morris Tom Miragliuolo

R. Collin Therrien

Aline Smith

Others

Tom Arbuckle, The Nature Conservancy
Mark Berry, Downeast Lakes Land Trust
Lindsay Bourgoine, Appalachian Mountain Club
Diano Circo, Trust for Public Land
George Aponte Clarke, Penobscot River Restoration Trust
Jennifer Irving, Sebeccook Regional Land Trust
Jeff Romano, Maine Coast Heritage Trust
Angela Twitchell, Brunswick-Topsham Land Trust
Katrina Van Dusen, Freeport Conservation Trust
Jonathan LaBonte, Androscoggin Land Trust
Cathy Johnson, Natural Resources Council of Maine
Jenn Gray, Maine Audubon
Ed Meadows, Deputy Commissioner, ACF
Tania Neuschafer, Presumpscot Regional Land Trust
John Marshall, Pleasant River Wildlife Foundation
Warren Whitney, Maine Coast Heritage Trust
Bill Bayreuther, grant writing
Leon Bucher, Jim Connolly and Sarah Demers, Dept. Inland Fisheries & Wildlife
Kathy Eickenberg and Stephanie Gilbert, Dept. Agriculture, Conservation & Forestry

Minutes of the Meeting

A motion was made by Norman Gosline and seconded by Diane Doyle to accept the May 15, 2012 minutes of the meeting as amended; typo on page 8; propose~~d~~ (proposal) and add on page 10, under Other

Vote to approve the Minutes was unanimous.

A request was made to place on January Board meeting Agenda a discussion of Deer Wintering Areas.

OLD BUSINESS

West Grand Lake Forest

- Public Notice

On November 8, 2012 published in both the Kennebec Journal and Bangor Daily News.

- Public Comment

None.

- Appraisal Review Committee Recommendation

The ARC finds the appraisal to be conducted in accordance with the Board's appraisal review standards. The Committee finds the appraisal value to reflect fair market value and accepts the appraisal. The Committee recommends that the appraised value be \$7,280,000.00.

- Motion

A motion made by Norm Gosline and seconded by Diane Doyle to release \$1,250,000 in LMF Conservation & Recreation funds to support the acquisition of the West Grant Lake Forest property in Grand Stream Plt. & T6 BPP, subject to meeting the board's standard conditions (adopted by reference). Vote was 8-0 in favor.

STAFF UPDATE

Board members were given an overview on the status of various projects pending or completed in various rounds; 7, 6, and 5. Due Diligence for several projects is currently underway. Some projects should be ready by January 2013 for Board action to release LMF funds in support of the acquisition.

Mr. Morris noted the most recent bond sale was in February 2012.

PROJECT STATUS and BALANCE OF FUNDS REMAINING IN LMF ACCOUNTS

At present, the Administration has temporarily place a hold on the sale of bonds. The Governor does anticipate authorizing sale of approved bonds or after January 2014. This is the basis for today's discussion. The LMF staff is seeking guidance from the Board related to available funding for some 21 active land conservation projects until such time as funds are replenished.

As of 10/31/12 LMF has approximately \$4,655,961.00 in Conservation & Recreation (C & R) funds on hand from the remaining balance of 2007 bonds.

The LMF Board has allocated a total amount of approximately \$6.9 million to Conservation & Recreation projects:

- \$1.3 million in C&R, Water Access and Farmland projects remaining from Rounds 5 and 6

- \$5.64 million in July 2011 for Round 7 project finalists; this funding amount is based upon approved but unsold bonds.

Staff provided a chart showing active projects compared with available funding.

There is an apparent gap of over \$2.28 million between existing funds and allocated funds, with no new funds expected in the near future. If all these projects endeavored to proceed to closing before the next bond sale, LMF would not be able to provide funding to them all or pay for transaction-related legal expenses.

In addition, several of the active LMF C&R projects are also finalists for significant federal match through the Forest Legacy Program and other federal funding sources. These projects have been supported by Maine's Congressional Delegation in the federal decision-making process. These projects have closing dates which are also coupled to time limits for accessing these federal funds.

Staff provided the Board several scenarios for completing projects with available funds. Discussion ensued among the Board and staff for clarification regarding which monies can be used for which type projects, as specified either by bond language or previous Board decision.

Alternatives discussed included:

- LMF funds could be specified for significant projects to ensure they close within 2012/2013.
- Spend down remaining funds on active C&R projects in the order in which they are brought forward, ready to close.
- The Board could place a time limit provision on reservation of funds so that reserved funding would expire on a date to be chosen.
- Other approaches developed by Board discussion

Before making its decision, the Board solicited comments from the audience. Summarized below is an overview of comments expressed:

- ✓ Mark Berry of Down East Land Trust discussed the West Grand Lake project, which includes substantial match of federal funds, far exceeding the LMF contribution. He expressed concern that lack of approval on the state funds will jeopardize the credibility of Maine projects when they compete for federal match.
- ✓ As a recently appointed Board member, Bill Vail stated he needed more time to understanding the implications the hold on new bonds would have on pending projects. He suggested that a meeting with either or both LMF staff, the Board, and the Governor's staff might be useful. Now is the time to schedule such a meeting as LMF will be without its Chairman soon. Mr. Marean was recently elected to the Maine Legislature and will be stepping down as LMF Chairman.

- ✓ Don Marean, Board Chair, would be willing to “chat” with whomever but it’s up to the Board to make this decision. Absent any action by the Board, LMF staff will continue to do their work and proceed until the money is gone.
- ✓ Commissioner Woodcock stated that while he is sympathetic and understands the situation facing landowners, communities and non-profit organizations by having LMF bond funds on hold, for completing several already approved projects jeopardizing land acquisitions scattered across the state. We, the Board, are in a tough position, but he and other commissions serve at the pleasure of the Administration and he feels it would be inappropriate for him to participate in discussions with the Governor to dissuade the decision not to move forward with sale of additional bonds at this time.
- ✓ John Marshall, Pleasant River Wildlife Foundation, stated that the Foundation has a major project before the Board - Pleasant Bay. A packet of funding sources has been put together for this project and now we might be in extreme danger of not moving forward should the LMF allocation be revisited. We compete with other states for funds thru a National competition process. This would be a tremendous blow to us if we are unable to get matching funds from LMF.

We could be looking at extending our Purchase & Sales Agreement and other legalities as well as going to our landowners trying to explain to them that what’s happening at the State level is affecting LMF funding.

Without the money from the bond sales, matching funds from federal sources may dry up. Participating parties will have to seek extensions of at least a year if sellers are willing to do so. The Appraisal Review Committee has tremendous credibility and moving the process forward more quickly will help expedite the closing date on projects.

Interaction with LMF staff is more essential than ever before.

- ✓ Jonathan LaBonte, Androscoggin Land Trust, expressed similar concerns. Any changes to the LMF process would cause hardship in his community. In the case of land trusts, ‘bargain sales’ plays an important role in acquiring parcels.

He inquired if a ‘second’ appraisal would be needed if projects are delayed until the release of funds by the Administration in 2014? To go back out and seek a 2nd appraisal would be prohibitive. Currently, Board policy is the appraisal valuation date should be less than a year old at the time of the expected closing, unless an executed purchase and sales agreement is in place with a value based on the appraisal.

He asked the Board if they would consider changing the rule on appraisals. (Note: the Board later voted to consider all appraisals regardless of funding availability.)

- ✓ Angela Twitchell, Brunswick-Topsham Land Trust, said that the Scammon family is anxious to finalize this acquisition as matching is tied to state funding. She suggested that one option the Board might consider is selecting projects that are ready for closing and not so much depending upon score.
- ✓ Tanya Neuschafer spoke on the importance of the Randall Orchards farmland preservation project.
- ✓ Sarah Demers of DIFW indicated that it would be extremely helpful to have good communication with LMF staff regarding status of funds available. We need to have lead time and need to know what projects will be on upcoming agendas, if possible.
- ✓ Kathy Eickenberg and Stephanie Gilbert both noted that some project(s) take considerable longer time to finalize due to the fact that some appraisals needs to be approved by the Federal government.

Board member Norman Gosline stated he would like to see the Board get together after December 31st to discuss all pending projects. No date was given.

Mr. Meadows, recently-appointed DACF Deputy Commissioner for administration and operations was introduced. He recently had been designated to provide direction, oversight and assistance to the LMF staff and serve as liaison with Board members. Dan Burke, who formerly oversaw the program has left state service to join a law firm in Bangor. Mr. Meadows said the staff has done a fantastic job moving forward under current circumstances and that he has empowered them to function as a self-directed team. He is happy to be part of the solution and has had several conversations with the team. He will look into today's suggestions and see how best to proceed.

Several board members expressed concern that the Program was taking on more projects even though funds were not available. LMF staff clarified for the Board that no new projects have been taken on since the Governor's memo of June 7, 2012 relating to sale of bonds.

Motion

After discussing various options, a motion was made by Ben Emory and seconded by Diane Doyle to:

- The Board gives approval to continue working on all projects and continue closings as they are ready between now and the January 22nd Board meeting.
- More information on the status of active projects is to be provided at the January 22nd Board meeting.
- The Board will temporarily suspend its twelve month limit on the age of appraisals, until the sale of bonds is resumed (and there is more certainty on the availability of funds).

- Cooperating state agencies and non-profit organizations were directed to evaluate their projects to determine which projects would not need funding until 2014, and what alternatives might exist, other matching funds or other innovative solutions that would enable projects to continue with available LMF funds until new funds are available. They are to review the possibilities and work with LMF staff to provide an update at the January 2013 Board meeting.
- The ARC is to review all new appraisals of active projects and the board will consider the acceptance of appraisals regardless of the availability of funds.
- The LMF Board's public members will seek to meet with the Governor's Office staff to discuss the impacts of no bond sales. The commissioners of the state agencies will not participate in that meeting.

Vote was 8-0 in favor.

Commissioner Whitcomb asked that review be done to see if funds from one bond category could be moved to another use (eg., from C & R to farmland). He indicated all are aware that if we proceed with "all ready projects" the Board will run out of funds.

Sarah Demers of DIFW said her agency would be able to prioritize IF & W projects and come up with alternatives by the January 2013 meeting. It was agreed state agency staff would meet to review alternatives for state agency projects.

Don Marean

Commissioner Woodcock thanked Don Marean for his work on the Board and wishes him well on his journey to the Maine Legislature (126th). He will be an asset having served 2 terms (122nd and 123rd) on the Agriculture, Conservation and Forestry Committee.

PROPOSED 2013 SCHEDULE

A motion was made by Bill Vail and seconded by Norman Gosline to accept in principle the proposed 2013 schedule for both LMF Board meetings and Appraisal Review Committee meetings. Vote was unanimous.

The dates are: LMF Board: Jan. 22; March 19; May 21; July 16; Sept. 17; Nov. 19
 ARC: Jan. 8; Feb. 12; April 9; June 11; Aug. 13; Oct.8; Dec. 10

The dates will be finalized at the January meeting.

Next LMF Board meeting scheduled for January 22, 2013.

Adjourn: 4:00 p.m.