

VIRGINIA OUTDOORS FOUNDATION

2007 ANNUAL REPORT

TO THE

GOVERNOR

AND

GENERAL ASSEMBLY OF VIRGINIA

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GENERAL ASSEMBLY OF VIRGINIA

Revised and Expanded With Executive Summary
Second Edition
December 2007

VIRGINIA OUTDOORS FOUNDATION

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EXECUTIVE SUMMARY

Following is a summary of the Virginia Outdoors Foundation 2007 Annual Report to the Governor and General Assembly of Virginia.

Introduction

Virginia and our nation this year celebrate our 400th Anniversary as we mark the 1607 landing at Jamestown and subsequent establishment of the first permanent English settlement in what would become the United States. Captain John Smith, a leading founder of the fledgling colony and explorer of her natural waterways, truly loved Virginia and repeatedly wrote with near rapture of her bounteous rivers and forests. Now, as when Captain Smith observed in 1612, “Heaven and earth never agreed better to frame a place for [our] habitation.”

For more than four decades, the Virginia Outdoors Foundation (VOF) has worked to foster the preservation and conservation of open space and farmlands across the Commonwealth. With the largest portfolio of preservation and conservation easements in the nation, the Foundation is the leader in its field. Indeed, the Virginia Outdoors Foundation holds easements on, and thereby provides assistance in stewardship forever for, some of the Commonwealth’s most beloved, most recognizable, and most important landscapes and properties.

Noting the urgency of land conservation as the Commonwealth continues to experience extraordinary population growth, Virginia Governor Timothy M. Kaine in April 2006 set as a goal of his administration the preservation of an additional 400,000 acres in open space. In addition, a General Assembly of Virginia 2006-07 Joint Legislative Subcommittee is studying additional strategies for land preservation. In his January 2007 State of the Commonwealth address Governor Kaine applauded VOF for its critical and outstanding efforts to conserve open-space land on behalf of the people of Virginia.

In the first six months of our nation’s quadricentennial, and in the prior six month-period, as well, the Virginia Outdoors Foundation celebrated with its own remarkable and noteworthy achievements. From new easements acquired to stewardship visits completed to administrative initiatives introduced and efficiencies enhanced, VOF played an ever-more pivotal role in working to conserve and preserve the “common wealth” of Virginia.

Background

Creation and Codification

The Virginia Outdoors Foundation was created by the General Assembly of Virginia in 1966 “to promote the preservation of open space lands and to encourage private gifts of money, securities, land or other property to preserve the natural, scenic, historic, open-space and recreational areas of the Commonwealth.” Its establishment, powers, and responsibilities are codified pursuant to *Code of Virginia* Section 10.1-1800 et seq.

(Va. Code. Ann. Section 10.1-1800 et seq. (Repl. Vol. 2006)). As a “body politic,” VOF has characteristics both of a Commonwealth of Virginia executive branch agency within the Secretariat of Natural Resources and independent instrumentality as a public land conservation foundation.

The Virginia Open-Space Land Act (Va. Code. Ann. Section 10.01-1700 et seq. (Repl. Vol. 2006)), also enacted in 1966, authorizes public bodies to acquire or designate interests in property for use as open space and permits acquisition of the same by gift, purchase, devise, or bequest. Through its powers vested by *Code* Sections 10.01-1800 et seq. and 10.01-1700 et seq., the Virginia Outdoors Foundation may hold any and all interests in cultural and natural resource properties in the Commonwealth in perpetuity on behalf of and in trust for the people of Virginia.

While VOF holds all rights to several significant tracts of conservation land, the vast majority of its property interest are in the form of open-space (i.e., conservation) easements donated by (and, in some cases, purchased from) landowners. Generally speaking, a VOF conservation easement may be defined as a binding, legally recorded agreement between a landowner and VOF, which agreement serves to restrict future development activities on the land to be protected forever under such easement.

Governance

The Virginia Outdoors Foundation is governed by a seven-member Board of Trustees appointed by the Governor of Virginia for staggered four-year terms. A Trustee may not serve more than two full consecutive terms. The Governor also appoints the Board Chair from among the Trustees. The Board, supervisory in nature, in turn appoints the Executive Director.

In Fiscal Year 2007 Governor Kaine appointed Frank M. (Hank) Hartz, III, a professional horticulturist and former member of the Goochland County Planning Commission, to chair the Virginia Outdoors Foundation Board of Trustees. The Governor also appointed The Honorable Molly Joseph Ward, Treasurer of the City of Hampton since January 1, 2002, and prior to her election an attorney in private practice, to fill the unexpired term of the former Chair.

Staffing

As of June 30, 2007, in addition to Executive Director G. Robert Lee, VOF staff included two Deputy Directors for Easements and a Deputy Director for Stewardship. The VOF operates in eight offices across the Commonwealth. Office locations include: Abingdon, Blacksburg, Charlottesville, Richmond, Staunton, Tappahannock, Warrenton, and Williamsburg. Most offices include consolidated staff focusing on easements as well as stewardship. At the conclusion of FY07, VOF staffing was approximately 40 positions, including full-time, part-time, and temporary staff.

The Virginia Outdoors Foundation has two key focuses of work: 1) to provide strong leadership while assisting in the negotiation, acquisition, and recordation of new conservation easements and 2) to be ever helpful and vigilant in serving as a good and responsible steward of land already protected by such easements. The VOF pursues this work utilizing an administrative structure of four divisions: administration, easements, stewardship, and technical services.

The Virginia Outdoors Foundation administration staff provides agency-wide support in the areas of human resources, finance, easements legal review, and management of records and Freedom of Information Act (FOIA) requests. Fiscal Year 2007 VOF administration-related highlights include work in the areas of organizational coordination, staff expansion, automated payroll protocol, enhanced staff compensation benefits, redesigned monthly financial statements, and reconfigured Preservation Trust Fund reporting procedures.

The Virginia Outdoors Foundation technical services staff is responsible for all VOF data and record-keeping bases, all electronic devices (e.g., computers, printers, and telephones) used by VOF staff, all interfacing with internal and external communications networks, the VOF Webpage, and Geographic Information System (GIS) and Global Positioning System (GPS) mapping for VOF easements. Fiscal Year 2007 VOF technical services accomplishments include the following: redesigned and enhanced Website, Geographic Information System (GIS) expansion, Internet-based map service introduction, Global Positioning System (GPS) introduction, Easement Management Application (EMA) expansion, and Wide Area Network (WAN) restructuring.

Partnerships

Partnerships with other state, federal, and local government agencies, local and regional land trusts, private, nonprofit organizations, and the private sector are critical to the ongoing success of the Virginia Outdoors Foundation. Among state agencies, a particularly close working relationship is maintained with the Virginia Department of Conservation and Recreation, the Virginia Department of Forestry, and the Virginia Department of Historic Resources. The VOF also is an active member of Virginia United Land Trusts (VaULT), a nonprofit association, and Land Trust Alliance (LTA), the primary national association for land trusts. An innovative Partners for Preservation initiative, launched with the Virginia Environmental Endowment and local/regional land trusts, is summarized in this report.

Funding

The Virginia Outdoors Foundation receives its operating capital from several sources. In fiscal years 2005, 2006, and 2007, VOF was allocated \$1.3 million from the Commonwealth of Virginia General Fund. The VOF also receives dedicated, but variable, funding each year tied to the \$1.00 recordation fee imposed on land transfers in any Virginia county or city with at least one recorded open-space easement held by VOF. The recordation fee-related funding in FY07 was \$835,600. In addition, VOF was

awarded grants from several foundations and corporations and received contributions from individual donors totaling \$33,145. Incorporating all income sources, the Virginia Outdoors Foundation FY07 total budget was \$2.445 million. The VOF Annual Financial Statements for Fiscal Year 2007 are included in the Appendices to this Report.

Conservation Easements and Their Stewardship

Conservation easements -- their negotiation, acquisition, recordation, and stewardship -- are the heart and soul of the Virginia Outdoors Foundation. Easements are the primary mechanism by which VOF works to accomplish its codified mission of preserving open space across the Commonwealth.

Most of Virginia's recent permanent land conservation has been, and for the foreseeable future will be, in the form of less-than-fee interests in real property, specifically, recorded legal instruments known as deeds of conservation easements. The definitive text of conservation easement practice and policy, *The Conservation Easement Handbook*,¹ defines a conservation easement as "a legal agreement between a landowner and an eligible organization that restricts future activities on the land to protect its conservation values." The value of a conservation easement is the difference between the property's fair market value before and after the imposition of permanent development restrictions on such property.

The VOF currently holds more than 2,000 conservation easements, covering nearly 406,000 acres, in perpetuity. Such open-space easements protect an enormously important variety and extent of natural and cultural heritage areas statewide, and in so doing profoundly assist in achieving broader public policy goals. The importance of the Virginia Land Preservation State Income Tax Credit Program (the strongest such land conservation incentive program in the nation) and the charitable contribution deduction for donation of perpetual conservation easements allowable under the federal Internal Revenue Service Code cannot be underestimated in fostering gifts of conservation easements to the Virginia Outdoors Foundation and other easements holders.

Conveyance and Subsequent Perpetual Stewardship of a Conservation Easement

Conveyance

The Virginia Outdoors Foundation staff works diligently with landowners to assist and guide them through the process of open-space easement conveyance to VOF. The conveyance process, which may take from a few months to more than a year for completion, typically includes the following procedures: landowner consideration of easement donation, site visit to the subject property by VOF staff, preliminary agreement between landowner and VOF, landowner provision of title report and letter of intent to VOF, research regarding subject property by VOF, action (acceptance, acceptance subject to changes, or rejection) by VOF Board of Trustees regarding proposed easement,

¹ *The Conservation Easement Handbook*, The Trust for Public Land and The Land Trust Alliance (Revised 2005).

follow-up site visit to subject property by VOF staff, preparation of baseline documentation report regarding subject property by VOF staff and subsequent attestation of report accuracy by landowner, final preparation of deed of easement and execution of same by landowner and authorized VOF staff, and recordation of deed of easement.

Stewardship

In a sense, even after the successful completion of the extensive conservation easement negotiation and donation process, once the deed of easement is recorded the long-term work for VOF is just beginning. The “forever” deed restriction imposed with the gift and legal recordation of a conservation easement carries with it a truly awesome responsibility of stewardship and public trust. Accordingly, the recent success of the Virginia Outdoors Foundation in writing and recording hundreds and hundreds of new easements has brought with it a dramatic growth in VOF responsibilities relating to easements stewardship. As more easements have been recorded, requisite stewardship of those easements has increased exponentially.

The stewardship process -- so critical to the integrity of any easements program -- consists of a range of activities essential to protecting land on which easements are donated for perpetuity. Key components of the VOF easements stewardship program include: *landowner support, education, and assistance* relating to such issues as land management practices and interpretation of specific easement provisions (regarding, for example, property subdivision or amendments to deeds of easements); *documentation and records management* (to ensure, for instance, accurate details of ownership, boundaries, and structures for easements held); regular *site visits* to lands under easement; and *upholding the public trust* to ensure correction of easement violations, preferably through voluntary action by the landowner but, where necessary, with counsel from the Office of the Attorney General of Virginia.

The VOF significantly enhanced its already-effective stewardship program in Fiscal Year 2007. Among its many accomplishments, VOF successfully developed even stronger partnerships with public and private partners, including the completion of many new cooperative agreements and Memoranda of Understanding, thereby fostering even more efficient preservation and stewardship of open space throughout the Commonwealth.

The VOF also progressed impressively toward streamlining its processes for easements stewardship and meeting nationally-recognized Land Trust Alliance stewardship standards and practices with benchmarks relating to property baseline documentation, file documentation, records management, site visits, and enforcement of deeds of easement restrictions. Perhaps most importantly, VOF worked diligently to enhance working relationships and focus on the provision of technical support, education, and assistance to those through whom its success of its mission ultimately is made possible: the landowners who so graciously have donated conservation easements on their properties.

Conservation Easements Acquisition and Stewardship: Notable Accomplishments

Fiscal year 2007 was an extraordinary year for the Virginia Outdoors Foundation in advancing its mission of acquiring, recording, and stewarding conservation easements. The numbers are inspiring: *330 easements were acquired, thereby preserving more than 73,300 acres, and 501 properties received stewardship visits.*

Properties (from nationally renowned James River working plantations to smaller family farms to pristine and important natural areas to a multi-jurisdictional riparian lands ribbon in a densely populated urban/suburban area) VOF helped in one short year forever to preserve include these notable highlights: Shirley (Charles City County), Glanvilla (King William County), Upper Bremo (Fluvanna County), City of Fredericksburg riparian lands, Wildcat Mountain forestland (Fauquier County), MBC Farm (Burke's Garden, Tazewell County), and Seibel Farm (Botetourt County).

Lands Owned by the Virginia Outdoors Foundation

While the Virginia Outdoors Foundation "preservation of open-space land" mission is accomplished largely through its conservation easements program, VOF also has been instrumental in the success of several other important projects involving acquisition of conservation lands in various regions of the Commonwealth. The VOF currently owns approximately 3,500 acres of conservation land.

The largest VOF land holding is 2,500 acres in the Bull Run Mountains, located in Fauquier and Prince William counties and the eastern-most mountains in Virginia. The Bull Run Mountains comprise one of the largest, relatively intact and unfragmented natural landscapes east of the Blue Ridge in northern Virginia. In Clarke County, the VOF holds 100 acres of Blue Ball Mountain, a distinct geologic feature just west of the Blue Ridge Mountains and jutting into the landscape along the Shenandoah River. In Rockbridge County, VOF owns 876 acres located on and between highly recognizable Little House and Big House Mountains. The VOF holds 40 acres located on Kohl's Island at the confluence of the Potomac River and Chesapeake Bay in Northumberland County. Through gifts of property and because of its unique independent agency status, VOF also has been able to assist with the preservation of other important lands.

Partnerships for Preservation Grants Program

The Virginia Outdoors Foundation, in partnership with the Virginia Environmental Endowment, in 2006 initiated an innovative and highly successful mini-grants program, "Partnerships for Preservation: Building Land Trusts in Virginia." The new venture provided significant outreach to and resource support of the land trust community across the Commonwealth as the financial support of both VOF and the Virginia Environmental Endowment fostered the provision of resources to many groups to undertake projects previously not possible due to financial constraints.

Two rounds of the grants were offered through a Request for Proposals distributed to over thirty land trusts statewide. Sixteen grants were awarded to groups working in a broad geographical cross section of the state and representing a wide array of land trust interests. Several trusts and groups formed partnerships to apply for grant funds for work on joint projects. Grants were awarded to well established trusts as well as newly formed groups. Through its Partnerships for Preservation initiative, VOF focused on training and capacity-building for land trusts in the following four areas: training and assistance for landowner outreach and education, educational seminars and training for professionals, natural resource identification and mapping, and stewardship education.

The Virginia Outdoors Foundation/Virginia Environmental Endowment Partnerships for Preservation program was a resounding success across the Virginia land trust community. It enabled many land trusts to develop educational materials, hold seminars and training sessions, identify regional resources, and grow in knowledge of land conservation and land management issues. Of equal importance, it fostered closer partnerships and enhanced working collaboration among local and regional land trusts throughout the Commonwealth.

Open Space Lands Preservation Trust Fund

Recognizing the importance of open-space land in the Commonwealth and the increasing development pressures on such land, the General Assembly of Virginia in 1997 created the Open Space Lands Preservation Trust Fund (Va. Code Ann. Sections 10.1801-2 (Repl. Vol. 2006)) to assist landowners with the costs of donating open-space easements and to assist in purchasing all or part of the value of such easements. The Preservation Trust Fund (PTF) is capitalized through a 25 percent appropriation of the state General Fund allocation for the Virginia Land Conservation Foundation. In Fiscal Year 2007, the PTF was capitalized in the amount of \$625,000.

Easements receiving Preservation Trust Fund allocations are conveyed to the Virginia Outdoors Foundation and a local easement co-holder. Landowners of property with scenic, scientific, natural, historic, recreational, or open-space value may qualify for Preservation Trust Fund allocations. Each prospective conservation easement is evaluated by VOF staff and its Board of Trustees using the VOF guidelines for accepting easements. Expenditures that may be reimbursed by Preservation Trust Fund monies include legal expenses, appraisal costs, and other costs incurred related to the easement donation, as well as the purchase price of all or part of the value of the easement.

The vast majority of Preservation Trust Fund awards have been for payment of costs associated with the donation of an easement on a family farm by owners of modest financial means. For most PTF applicants, the costs associated with the grant of an easement create an impediment to such easement donation and the PTF awards of generally several thousand dollars each can make it feasible for such landowners to proceed with their gifts of easements to the Commonwealth.

Conclusion

For the Virginia Outdoors Foundation, Fiscal Year 2007 was a year of superlatives. Ever mindful of the outstanding contributions of its many and varied partners, the Foundation expresses sincere appreciation to all who so generously gave of their time, talents, and myriad resources to foster, together, open-space land conservation and preservation across Virginia.

INTRODUCTION

Virginia and our nation this year celebrate our 400th Anniversary as we mark the 1607 landing at Jamestown and subsequent establishment of the first permanent English settlement in what would become the United States. Captain John Smith, a leading founder of the fledgling colony and explorer of her natural waterways, truly loved Virginia and repeatedly wrote with near rapture of her bounteous rivers and forests. Today, as when Captain Smith and his fellow explorers sailed the Chesapeake Bay, Rappahannock and James rivers, and their many tributaries in a small shallop boat, magnificent bald eagles and ospreys soar, enormous sturgeon of ancient lineage swim the depths, and towering native tulip poplars, sweet gums, hollies, maples, and oaks line the shores. Now, as when Captain Smith observed in 1612, “Heaven and earth never agreed better to frame a place for [our] habitation.”

For more than four decades, the Virginia Outdoors Foundation (VOF) has worked to foster the preservation and conservation of open space and farmlands across the Commonwealth. With the largest portfolio of preservation and conservation easements in the nation, the Foundation is the leader in its field. Indeed, the Virginia Outdoors Foundation holds easements on, and thereby provides assistance in stewardship forever for, some of the Commonwealth’s most beloved, most recognizable, and most important landscapes and properties.

Along the great rivers of Tidewater and southern Virginia, Stratford Hall, Shirley, and Upper Breemo are the epitome of classicism set in elegant counterpoint against the acreage of fields and forests that surrounds them. To the north, the vast and expansive vistas of the Paris valley well might be landmarks again today to the young George Washington who surveyed this area for its owner, Lord Fairfax. Amidst the gentle Blue Ridge and the high peaks of the Appalachians, myriad vernacular structures speak eloquently to the labor of the settlers who expanded the reaches of Virginia and this nation ever westward. The McDonald Mill and others like it, nestled creekside in the ridges, and thousands of acres of farm and grazing land in the natural bowl that is Burke’s Garden, remain much as they were in the 1800s. Moreover, scores of family farms, together with the cultural heritage they engender and the open space they offer us all, continue to be worked across Virginia, as they have been for hundreds of years. The Virginia Outdoors Foundation has played and, as a matter of public trust will continue to play, a key role in preserving and protecting all of these places.

The critical importance of retaining the natural setting of these and other examples of Virginia’s and our nation’s cultural heritage should not be underestimated. Nonetheless, while many sites of local, statewide, and national importance are protected, countless others are threatened by encroaching subdivisions, commercial sprawl, and mega-highways. The teeming coastal wetlands that so captivated the imagination of Captain Smith, the rich soils of the Shenandoah Valley and other agricultural breadbaskets from the Eastern Shore to Cumberland Gap, the forests so filled with wonderful creatures and such a respite for the human spirit are disappearing at a truly alarming pace.

More than fifty percent of Virginia's wetlands have disappeared since 1607 and, if our open-space and farm land continues to be developed at its current pace, more land will be developed in the next forty years than was developed during the past 400 years. In addition to the compelling aesthetic, environmental, scientific, recreational, and spiritual (to name but a few) reasons for preserving open-space and farm land, there are important economic benefits, as well. Agriculture/forestry is the Commonwealth's leading industry – one that employs tens of thousands of Virginians and accounts for more than \$64 billion in sales and economic benefits each year. In addition, Virginia is among the top ten tourist destinations in the United States, with more than \$16.5 billion in revenues generated annually from tourism for the state economy. Although each of these economic engines is substantially dependent on our natural heritage resources and landscapes, Virginia ranks sixteenth among states in rate of loss of prime farmland. Moreover, from 2001-2004 urban and suburban growth and development resulted in an average annual net loss of 26,000 acres of Virginia forests. John Muir observed in 1897: "The forests of America, however slighted by man, must have been a great delight to God, for they were the best he ever planted."

Noting the urgency of land conservation as the Commonwealth continues to experience extraordinary population growth, Virginia Governor Timothy M. Kaine in April 2006 set as a goal of his administration the preservation of an additional 400,000 acres in open space. In addition, a General Assembly of Virginia 2006-07 Joint Legislative Subcommittee is studying additional strategies for land preservation. In his January 2007 State of the Commonwealth address Governor Kaine applauded VOF for its critical and outstanding efforts to conserve open-space land on behalf of the people of Virginia.

In the first six months of our nation's quadricentennial, and in the prior six month-period, as well, the Virginia Outdoors Foundation celebrated with its own remarkable and noteworthy achievements. From new easements acquired to stewardship visits completed to administrative initiatives introduced and efficiencies enhanced, VOF played an ever-more pivotal role in working to conserve and preserve the "common wealth" of Virginia. Highlights of Fiscal Year 2007 successes of the Virginia Outdoors Foundation on behalf of the people of Virginia are set forth in this Annual Report.

BACKGROUND

Creation and Codification

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Gubernatorial Appointments

In Fiscal Year 2007 Governor Timothy M. Kaine appointed Frank M. (Hank) Hartz, III, a professional horticulturist and former member of the Goochland County Planning Commission, to chair the Virginia Outdoors Foundation Board of Trustees following the resignation of former Board Chair Katherine L. Imhoff. The Governor also appointed The Honorable Molly Joseph Ward, Treasurer of the City of Hampton since January 1, 2002, and prior to her election an attorney in private practice, to fill the unexpired term of the former Chair.

Code of Ethics and Conduct

The VOF Board of Trustees in FY07 adopted a Board Code of Ethics and Conduct (“the Code”) developed by VOF administration staff with assistance from VOF counsel in the Office of the Attorney General of Virginia. Because the Board must be self-governing and self-policing and have consistent guidelines for its operations, it adopted the high standards of the Code to provide further guidance to members regarding ethical and behavioral considerations and/or actions as they address their duties and obligations pursuant to their gubernatorial VOF Board appointment.

Conflict of Interests Training

Also in FY07, Conflict of Interests training updates, provided by staff counsel in the Office of the Attorney General of Virginia, were scheduled for all VOF Trustees. As officers of a governmental agency, the Trustees are governed by the Virginia State and Local Government Conflict of Interests Act (Va. Code Ann. Section 2.2-3100 et seq.).

Staffing

As of June 30, 2007, in addition to Executive Director G. Robert Lee, VOF staff included two Deputy Directors for Easements and a Deputy Director for Stewardship. The VOF operates in eight offices across the Commonwealth. Office locations include: Abingdon, Blacksburg, Charlottesville, Richmond, Staunton, Tappahannock, Warrenton, and Williamsburg. Most offices include consolidated staff focusing on easements as well as stewardship. At the conclusion of FY07, VOF staffing was approximately 40 positions, including full-time, part-time, and temporary staff. Additional information regarding VOF regional office locations, together with a VOF Fiscal Year 2007 Organizational Chart, is included in the Appendices to this Report.

The Virginia Outdoors Foundation has two key focuses of work: 1) to provide strong leadership while assisting in the negotiation, acquisition, and recordation of new conservation easements and 2) to be ever helpful and vigilant in serving as good and responsible stewards of land already protected by such easements. The VOF pursues this work utilizing an administrative structure of four divisions: administration, easements, stewardship, and technical services.

The Virginia Outdoors Foundation administration staff provides agency-wide support in the areas of human resources, finance, easements legal review, and management of records and Freedom of Information Act (FOIA) requests. Fiscal Year 2007 VOF administration-related highlights include the following.

Organizational Coordination

The Virginia Outdoors Foundation closely, carefully, and regularly monitored and evaluated its progress in all business areas. The Board of Trustees met at least quarterly and reviewed and acted on not only administrative issues but, as well, every single easement of the literally hundreds proposed. The staff leadership team, led by the Executive Director, met via conference call weekly. Staff activities were tracked weekly. Each of the four divisions met monthly or bi-monthly. From a financial perspective, VOF's statements were audited by the Virginia Auditor of Public Accounts in addition to review by the organization's external financial advisors, Robinson, Farmer, Cox Associates, quarterly review by the Trustees, and monthly review by the Executive Director and three Deputy Directors.

Staff Expansion

Additional funding support enabled VOF to expand its easements division staff with full-time and part-time positions to assist in meeting dramatically increased public demand to give voluntary conservation easements.

Automated Payroll Protocol

A new VOF automated payroll internal review protocol was developed and implemented by administration staff. The new protocol provides for third-party security and more effectively segregates duties and responsibilities of each participant.

Staff Compensation Benefits

The administration staff facilitated the implementation of a new 401(k) program for VOF staff, which program replaces the prior Simple Individual Retirement Account (IRA) program. The new program offers increased contribution and enhanced investment options for members.

Redesign and Submission of Monthly Financial Statements

The VOF finance officer redesigned the monthly electronic financial statement reporting format and submitted comprehensive monthly reports, based on approved FY 07 budget allocations, to the members of the Board of Trustees Audit/Personnel Committee, the Executive Director, the three Deputy Directors, and Robinson, Farmer, Cox Associates.

Preservation Trust Fund Reporting Procedures

Based on discussions with Robinson, Farmer, Cox Associates, the VOF federal 1099 income tax reporting procedures for Open Space Land Preservation Trust Fund (PTF) expenditures were substantially reconfigured by the finance officer to reflect more effectively PTF expenditures.

The Virginia Outdoors Foundation technical services staff is responsible for all VOF data and record-keeping bases, all electronic devices (e.g., computers, printers, and telephones) used by VOF staff, all interfacing with internal and external communications networks, the VOF Webpage, and Geographic Information System (GIS) and Global Positioning System (GPS) mapping for VOF easements. Fiscal Year 2007 VOF technical services accomplishments include the following.

Redesigned and Enhanced Website

A major redesign of the VOF public Website, published in Spring 2007, offers improved, additional content, several new subject categories, and a handsome, new design and navigation system.

Geographic Information System (GIS) Expansion

Regional expansion of GIS services to all VOF offices working on new and existing easement projects was continued. Expansion goals include enabling regional staff effectively to create new easement boundary data, fix existing easement boundaries, and produce high-quality maps for various reports and publications.

Internet-Based Map Service Introduction

The VOF now is using an Internet-based map service, provided by the Virginia Geographic Information Network (VGIN), as a new method of providing aerial imagery, topographic maps, and hydrography layers to VOF regional office staff using GIS. This map service is used in conjunction with other data sources and lays the foundation for future delivery of GIS data from other state agency partners.

Global Positioning System (GPS) Introduction

The VOF has begun using a Global Positioning System (GPS), i.e., a global navigation satellite system, to collect data related to its easement projects. Through extensive research, third-party collaboration, and field testing, VOF has developed the basic procedures for gathering a limited amount of data using GPS in field research. Such GPS data includes photo point locations and special features such as no-build zones, karst features, and trails that can be located only on-site. Initial VOF staff training is underway and GPS equipment now is in use on active easement projects.

Easement Management Application (EMA) Expansion

Utilizing the Web-based Easement Management Application (EMA) to organize its database of information related to recorded easement projects, VOF continued to expand the data entry and reporting responsibilities to its regional office staff. This expanded ability of VOF staff in each regional office to input data for their respective regional projects provides rapid access to the information and helps to ensure a high level of quality control.

Wide Area Network (WAN) Restructuring

Utilizing the partnership between the Virginia Information Technology Agency (VITA) and Northrop Grumman (NG), VOF has planned a major restructuring of all of its network and desktop resources. As part of the agreement, the VITA/NG Partnership has designed a Wide Area Network (WAN) to connect all eight VOF regional offices to one centralized data location, the new Commonwealth Enterprise Solutions Center (CESC) in Chester, Virginia. In addition to providing for centralized data storage, backup, and recovery as well as network security, the agreement also provides for desktop services to support the needs of the VOF regional organizational model. The VOF migration to a Wide Area Network will represent substantial progress in standardizing the VOF network and desktop infrastructure.

Partnerships

Partnerships with other state, federal, and local government agencies, local and regional land trusts, private, nonprofit organizations, and the private sector are critical to the ongoing success of the Virginia Outdoors Foundation. Among state agencies, a particularly close working relationship is maintained with the Virginia Department of Conservation and Recreation, the Virginia Department of Forestry, and the Virginia Department of Historic Resources. The VOF also is an active member of Virginia United Land Trusts (VaULT), a nonprofit association, and Land Trust Alliance (LTA), the primary national association for land trusts. An innovative Partners for Preservation initiative, launched with the Virginia Environmental Endowment and local/regional land trusts, is summarized in this report.

Funding

The Virginia Outdoors Foundation receives its operating capital from several sources. In fiscal years 2005, 2006, and 2007, VOF was allocated \$1.3 million from the Commonwealth of Virginia General Fund. The VOF also receives dedicated, but variable, funding each year tied to the \$1.00 recordation fee imposed on land transfers in any Virginia county or city with at least one recorded open-space easement held by VOF. The recordation fee-related funding in FY07 was \$835,600. In addition, VOF was awarded grants from several foundations and corporations and received contributions from individual donors totaling \$33,145. Incorporating all income sources, the Virginia Outdoors Foundation FY07 total budget was \$2.445 million. The VOF Annual Financial Statements for Fiscal Year 2007 are included in the Appendices to this Report.

CONSERVATION EASEMENTS AND THEIR STEWARDSHIP

Conservation easements -- their negotiation, acquisition, recordation, and stewardship -- are the heart and soul of the Virginia Outdoors Foundation. Easements are the primary mechanism by which VOF works to accomplish its codified mission of preserving open space across the Commonwealth.

Definition and Context of Conservation Easements

As the cost of land has continued to increase, and the pace of development has quickened, most of Virginia's recent permanent land conservation has been, and for the foreseeable future will be, in the form of less-than-fee interests in real property. Specifically, most of these less-than-fee land conservation interests are in the form of recorded legal instruments known as deeds of conservation easements.

The definitive text of conservation easement practice and policy, *The Conservation Easement Handbook*,² defines a conservation easement as "a legal agreement between a

² *The Conservation Easement Handbook*, The Trust for Public Land and The Land Trust Alliance (Revised 2005).

landowner and an eligible organization that restricts future activities on the land to protect its conservation values.” The value of a conservation easement is the difference between the property’s fair market value before and after the imposition of permanent development restrictions on such property.

The VOF currently holds more than 2,000 conservation easements, covering nearly 406,000 acres, in perpetuity. Generally speaking, VOF open-space easements protect an enormously important variety and extent of natural and cultural heritage areas statewide, and in so doing profoundly assist in achieving broader local, regional, state, federal, and even global public policy goals, such as protected drinking water sources; additional parklands, scenic viewsheds, greenways, and “greener” governmental infrastructure; cleaner waterways feeding into the national treasure that is our Chesapeake Bay; improved air quality; and increased sustainability of locally-based economies, potentially resulting in lower emissions of toxic pollutants and a more healthy environment for all. Moreover, when a lifelong resident of the Commonwealth or tourist from another continent experiences a “quintessential Virginia” landscape and is renewed because of that moment indelibly etched, chances are that special place may still remain and forever be protected in large measure because of a conservation easement acquired, approved, and stewarded by the Virginia Outdoors Foundation.

Virginia State Agencies: Holders of Conservation Easements

Virtually all Virginia state agencies may hold conservation easements under the Virginia Open-Space Land Act. State agencies holding the majority of easements, however, include VOF (which holds some 80 percent of easements in the Commonwealth), the Virginia Department of Historic Resources, the Virginia Department of Conservation and Recreation, and the Virginia Department of Forestry. Regional and local land trusts in jurisdictions across Virginia also independently may hold easements or co-hold easements with state agencies. The level of Virginia interagency communication, coordination, cooperation, and collaboration to foster effective land conservation has increased exponentially in recent years, as has such work with regional and local conservation partners.

Funding to purchase state-held conservation easements comes from multiple sources, including: the Virginia Land Conservation Foundation (using allocations from the state General Fund), the Virginia Open Space Lands Preservation Trust Fund (also using allocations from the General Fund), state and local bond authorizations, federal, state, and local government grants, private and nonprofit sector grants, and occasional court orders and decrees.

Virginia Land Preservation State Income Tax Credit Program

The Virginia Land Preservation State Income Tax Credit Program, enacted in 1999, incorporates two venerable Virginia traditions: private property rights and a deeply-rooted sense of personal stewardship of the land. More than half of the conservation easements recorded in the Commonwealth have been filed since the enactment of this

program, the importance of which cannot be underestimated. The program is strictly voluntary and relates only to perpetual easements. The transferable nature of the credits permits landowners who may have modest actual income and assets other than their land (farmers who derive their livelihood from the land, for instance) to continue to hold and work their land while benefiting from their donations of easements by receiving some income from the sale of tax credits. In most cases, such cash income from credits is invested back into their farm and local businesses. Virginia's Land Preservation Tax Credit Program is the strongest such land conservation incentive program in the nation.

Federal Conservation Easement Charitable Contribution Opportunities

The federal government further encourages the donation of perpetual conservation easements through the provision of allowed charitable contribution deductions for such qualified gifts. Pursuant to Section 170(h) of the federal Internal Revenue Service Code, for the 2007 calendar year the deduction value of a conservation easement (as a non-cash charitable contribution) is limited to fifty percent of a taxpayer's adjusted gross income in the year of the gift and may be carried forward for an additional fifteen years. The allowed deductible historically has been limited to 30 percent of adjusted gross income and a five-year carry-forward period, which provisions may be reinstated after 2007.

CONVEYANCE AND SUBSEQUENT PERPETUAL STEWARDSHIP OF A CONSERVATION EASEMENT

The Virginia Outdoors Foundation staff works diligently with landowners to assist and guide them through the process of open-space easement conveyance to VOF. The following procedures are typical in the conveyance process, which may take from a few months to more than a year for completion.

Consideration of Easement Donation

As a first step, the landowner would contact VOF to request information and discuss VOF easement guidelines and options. The landowner also generally would consult with family and/or legal and financial advisors at this time and subsequently indicate to VOF staff an interest in further exploration of an easement. The landowner and VOF staff then would discuss possible easement provisions and issues subject to the landowner's property and the landowner's personal goals regarding the same.

Site Visit by VOF Staff

In a second step, VOF staff and the landowner would meet at and view the subject property. On-site, the staff would analyze the property's specific features, including natural, cultural, and open-space resources, and consult with the owner on long-term objectives. In addition, the staff would discuss with the landowner easement terms to meet the landowner's goals, protect the resources, and meet VOF standards.

Preliminary Agreement

After consulting with family and advisors, the landowner would negotiate a preliminary agreement with VOF on the proposed terms, based on VOF guidelines and sample deed of easement, of the easement and property description.

Title Report and Letter of Intent

Next, the landowner would provide to VOF a preliminary 20-year title report, prepared by an attorney or title company, on behalf of VOF. In addition, the landowner would submit to VOF a statement of desire to donate the easement.

Staff Research

Continuing to move forward, the VOF staff would work to complete research on the subject property. Information reviewed regarding the property would include: local comprehensive plan designation and zoning classification; statewide planning documents, such as Virginia Department of Transportation six-year plans, the Virginia Outdoors Plan, Chesapeake Bay Preservation Area maps, and the Virginia Division of Natural Heritage database; and various maps of the property, including United States Geologic Survey topographic maps, aerial maps, and tax maps, as well as survey plats, if available, for baseline documentation of the property.

Board Approval

Each easement proposal must be approved by the VOF Board of Trustees, which meets quarterly. The Board may accept a proposed easement, accept it subject to changes, or reject it, and VOF staff would apprise the landowner of the Board's decision subsequent to its action. If the Board were to condition approval on modifications to the proposed terms of the easement, the landowner would be obligated to agree to such changes in order to proceed. (Although Board approval would not obligate the landowner to donate the easement, recordation is required within two years of the date of such Board approval.) If the landowner were to propose a change in any terms of the easement resulting in a less restrictive easement than that approved previously, it would be necessary for the Board to re-approve the easement.

Follow-Up Site Visit

Following VOF Board approval of the subject easement, VOF staff would make a return visit, if necessary, to document the property through photographs of its key features and natural, cultural, and open-space resources, as well as all structures, roads, and any areas of particular reference in the draft deed of easement.

Baseline Documentation Report

The VOF staff would complete the file for the easement by preparing a baseline documentation report of the subject property, which report would include information gathered in the referenced follow-up site visit, a topographic map showing the boundary of the property, an aerial map, county tax maps, available survey plats of the property, and photographs of the property keyed to a map as well as narrative descriptions and information. The landowner then would review the baseline report and attest in writing to its accuracy.

Finalizing Draft Easement

Generally, legal counsel for the landowner then would provide a draft of the final easement document, including a legal description of the subject property, to VOF staff for review. The VOF staff would suggest any proposed changes and return the same to counsel, who would provide to the landowner the final signature-ready deed and, to the VOF office, the final 20-year title report. The landowner then would sign the final deed of easement, forward it for signatures of any mortgagee to the property, and deliver it to VOF for signature by an authorized VOF director. (The landowner would not have made a final commitment to the easement donation until the point of executing the deed of easement and delivering the same to VOF.)

Recordation

In the final steps of easement conveyance, a VOF Deputy Director would verify the inclusion in VOF files of the completed 20-year title report and baseline documentation report acknowledged in writing by the landowner. The VOF Deputy Director then would sign the deed of easement and VOF staff would present the same for recordation in the Office of the Clerk of Circuit Court of the locality in which the subject property is located. A copy of the recorded easement then would be provided to the landowner.

Stewardship

In a sense, even after the successful completion of the extensive conservation easement negotiation and donation process, once the deed of easement is recorded and there are congratulations all around, once there is assurance and gratification that the land on which the easement has been given and accepted will be preserved forever, the long-term work for VOF is just beginning. The “forever” deed restriction imposed with the gift and legal recordation of a conservation easement carries with it a truly awesome responsibility of stewardship and public trust. Accordingly, the recent success of the Virginia Outdoors Foundation in writing and recording hundreds and hundreds of new easements has brought with it a dramatic growth in VOF responsibilities relating to easements stewardship. As more easements have been recorded, requisite stewardship of those easements has increased exponentially.

The stewardship process -- so critical to the integrity of any easements program -- consists of a range of activities essential to protecting land on which easements are donated for perpetuity. These activities include: fostering effective partnerships with landowners, conducting regular site visits to each property, maintaining reliable records, responding in a timely manner to landowner requests for information, evaluating requests for amendments to easement deeds, interpreting legal documents, and enforcing the terms of an easement in the event of a violation of such terms.

The VOF significantly enhanced its already-effective stewardship program in Fiscal Year 2007. Among its many accomplishments, VOF successfully developed even stronger partnerships with public and private partners, including the Virginia Department of Forestry, Soil and Water Conservation districts, local governments, and nonprofit organizations. Many new cooperative agreements and Memoranda of Understanding were completed among partners, thereby fostering even more efficient preservation and stewardship of open space throughout the Commonwealth.

The VOF also progressed impressively toward meeting nationally-recognized Land Trust Alliance stewardship standards and practices with benchmarks relating to property baseline documentation, file documentation, records management, site visits, and enforcement of deeds of easement restrictions. Perhaps most importantly, VOF worked diligently to enhance working relationships and focus on the provision of technical support, education, and assistance to those through whom the success of its mission ultimately is made possible: the landowners who so graciously have donated conservation easements on their properties.

How, then, after recordation of the conservation easement, does VOF through wise and prudent stewardship specifically ensure that land to be preserved is, in fact, forever preserved? Following are key components of the VOF easements stewardship program.

Landowner Support, Education, and Assistance

As in any partnership, success often hinges on superb communication between and among the partners, and VOF strives diligently to respond to landowners' queries in a timely and efficient manner. As noted, lands on which VOF holds conservation easements include an enormous variety of natural and cultural resources, and VOF is privileged to provide substantial support, education, and assistance to the owners of these varied lands. In the area of land management practices, VOF can provide information on, for example, shoreline protection, agricultural, forestal, and wildlife management, erosion mitigation and control, and eradication of invasive species. The VOF staff also is pleased to provide counsel on landowner questions that may relate to the interpretation of specific easement provisions, such as subdividing property, mowing riparian buffers, harvesting timber, constructing or renovating houses or other structures, such as sheds or barns, or changing the use of the land.

Documentation and Records Management

Much of VOF staff time relating to easement stewardship pertains to documentation and management of records relating to the thousands of easements VOF holds. The VOF staff works diligently to ensure up-to-date documentation of its easements files and extensive, comprehensive database. Regular visits to the record rooms of local clerks of court help to ensure accurate details of ownership, boundaries, and allowable structures and uses. Notably, as lands on which easements were given in VOF's earlier years thirty, twenty, and even ten years ago now increasingly change hands, records accuracy increases in importance. Similarly, stewardship responsibilities increase dramatically, as it is incumbent on VOF staff to educate new landowners who may have little or no knowledge of their responsibilities for preservation and conservation of land on which an easement was given many (or even a few) years prior their taking possession.

In Fiscal Year 2007, the VOF staff made significant progress in streamlining its processes for easements stewardship. Accomplishments include: standardization of procedures for site visits and property documentation; development of enforcement procedures; compilation of a "glossary" to assist staff in interpreting terms used in older easements; technological advances in mapping and photography; creation of a database including prior sample landowner requests for assistance and specific violations of easement terms, together with VOF staff responses to such requests and situations where violations have occurred; and development of policies and procedures for responding to informational requests relating to public and private utilities or infrastructure requiring conversion or diversion of open-space land.

Site Visits

Just as one picture may be worth one thousand words, one site visit to walk and view a property and/or assist a landowner requesting help may be worth scores of communications by telephone or electronic mail. In Fiscal Year 2007, VOF staff completed a record 501 site visits. On-site, staff members can view first-hand specific situations about which landowners may have requested assistance. (In addition, in the event that a violation in the terms of the easement is identified during a site visit, VOF staff will work closely with the property owner to correct such violations through voluntary compliance and, where necessary, mediation.) The staff also can discuss with the landowner his or her potential interest in making any changes to the property, such as constructing new structures or changing any uses, or subdividing or transferring ownership of the land. To further assist in maintaining excellent partner relationships, VOF staff during site visits utilize the most advanced technology to ensure clarity of communications. In addition to photographing the land with compass readings, Global Positioning System satellite data is gathered to record with even greater precision details of the property. A complete report of the site visit is always provided to the landowner.

Upholding the Public Trust

Ultimately, of course, the Virginia Outdoors Foundation holds conservation easements in trust for the people of Virginia. Although site visits by VOF staff are readily available for landowners requesting such meetings, in addition VOF regularly schedules site visits for lands on which it holds easements but where owners of such lands may not have requested a staff visit. To uphold the public trust, it is incumbent upon VOF regularly to ensure that eased lands always remain according to the terms of the deed of easement as initially recorded or as amended by request of the landowner with approval by the VOF Board of Trustees. It also is important to note that its documented failure to uphold the terms of easements it holds could disqualify VOF from accepting future such easements as charitable contributions for purposes of federal and/or state income taxation credits and/or deductions.

As noted, VOF staff works diligently with landowners to correct by voluntary action situations where a violation of easement terms has been identified. Unfortunately, there may be instances where a landowner simply refuses to abide by the legally recorded easement terms. If this situation were to occur, VOF would be mandated as a steward of the public trust legally to enforce the terms of the easement with counsel from the Office of the Attorney General of Virginia.

CONSERVATION EASEMENTS ACQUISITION AND STEWARDSHIP: NOTABLE ACCOMPLISHMENTS

Fiscal year 2007 was an extraordinary year for the Virginia Outdoors Foundation in advancing its mission of acquiring, recording, and stewarding conservation easements. The numbers are inspiring: *330 easements were acquired, thereby preserving more than 73,300 acres, and 501 properties received stewardship visits.* Following (in an approximately westward flow) are highlights of properties, from nationally renowned James River working plantations to smaller family farms to pristine and important natural areas to a multi-jurisdictional riparian lands ribbon in a densely populated urban/suburban area, VOF helped in one short year forever to preserve.

Shirley (Charles City County)

With its broad lawns sloping down toward the James -- our nation's "Founding River" -- Shirley sits on land carved from the Virginia frontier through a crown grant issued just six years after the founding of Jamestown in 1607. In many ways, the story of Shirley chronicles the story of our nation. Under the stewardship of eleven generations of a family whose members continue to own and work the plantation land, Shirley has survived Bacon's Rebellion, the American Revolutionary War, the Civil War, and the Great Depression. Inside the "Great House," largely unchanged since its 1738 completion, is Shirley's extraordinary, multi-story "flying staircase." Shirley's great stairway and Queen Anne-period forecourt dependencies reportedly are the only examples of such architectural styles remaining in America. Shirley is included in both

the Virginia Landmarks Register and the National Register of Historic Places, and an easement of some 120 acres of land and more than one-third mile of James River frontage held jointly by the Virginia Outdoors Foundation and the Virginia Department of Historic Resources (DHR) ensure the preservation of this treasured property.

Glanvilla (King William County)

This lovely family farm of 1,070 acres includes open land in agricultural small grain rotation, mixed hardwoods, and a pine plantation. Over three miles of shoreline on the serene Mattaponi River now are protected under the VOF easement with a 100-foot forested, riparian buffer. Just a few miles farther along the river lie two other properties on which conservation easements have been given. The owners of Glanvilla, which has been in their family since 1834, have been recognized for consistently excellent forestry practices and honored as Virginia Department of Forestry “Tree Farmer(s) of the Year.”

Upper BreMO (Fluvanna County)

Completed in 1820 and one of the leading examples of Palladian-style architecture in America, Upper BreMO commands a view over fields, forests, and creeks down to its mile of James River frontage. The VOF and DHR jointly hold the easement of some 1,563 acres on Upper BreMO, which is included in both the Virginia and National Registers. In addition to its role in cultural heritage preservation, the BreMO site plays a critical role in conserving agricultural and wildlife habitat, while preservation of BreMO’s significant wetlands and use of riparian buffers continues to protect water quality in its Chesapeake Bay watershed.

City of Fredericksburg Riparian Lands

In an exemplary intergovernmental/nonprofit sector partnership, the City of Fredericksburg recorded a visionary conservation easement preserving approximately 4,232 acres of city-owned land along the Rappahannock and Rapidan rivers. This unique easement, co-held by VOF, The Nature Conservancy, and the Virginia Department of Game and Inland Fisheries, protects nearly 60 miles of riparian lands along the two rivers and their tributaries and extends from Fredericksburg into the counties of Spotsylvania, Stafford, Culpeper, Orange, and Fauquier. The eased lands contain riparian buffers, which provide natural protection for Fredericksburg’s water supply by reducing the amount of nutrients and other pollutants that enter the body of water. The buffer zones also provide physical protection from harmful erosion, which, unchecked, leads to sedimentation in the rivers. With more than a million people living within 30 miles of the property, and with two surrounding counties ranked among the nation’s fastest growing, these riverside lands face unprecedented development pressures. The City of Fredericksburg conservation easement will allow the ongoing public enjoyment of the forest and rivers for hiking, canoeing, camping, and other outdoor recreational activities now so treasured.

Wildcat Mountain Forestland (Fauquier County)

This 258-acre tract of pristine forestland encompasses the northernmost end of Wildcat Mountain, a prominent natural feature along heavily-traveled Virginia State Routes 17 and 691, the latter a Virginia Scenic Byway. The property lies within Carter's Run Valley, recognized by The Nature Conservancy as part of a 16,585-acre forested area that is one of the finest remaining examples of an intact Piedmont hardwood forest. In addition, the property is located in the Northern Watery Mountains, a 4,218-acre area designated by the Virginia Department of Conservation and Recreation's Division of Natural Heritage as having the potential to contain and/or provide habitat for one or more rare plants and/or animals or significant natural communities. The easement property is adjacent to The Nature Conservancy-owned Wildcat Mountain Natural Area accessible by the general public.

MBC Farm, Burke's Garden (Tazewell County)

Although its first permanent European settlers were German Lutherans in the late 1700s, prehistoric archaeological sites in Burke's Garden indicate continuous occupation by Native Americans since the Early Archaic period. Burke's Garden, so-named, according to legend, after early surveyor James Burke left potato peelings at a campsite in the 1750s and returned the following year to find them sprouting, is a unique, 40-square mile mountain basin rimmed entirely by a mountain system that has effectively protected it from outside intrusion. Last year VOF received its largest easement donation to date – 4,329 acres of MBC Farm which encompasses much of Burke's Garden. In addition to protecting highly productive farm and grazing land, preservation of this land should help to ensure the survival of several endangered species living in its wetlands and areas of karst. Burke's Garden is included in both the Virginia and National Registers and the MBC Farm property is visible from the Appalachian Trail as well as two Virginia Scenic Byways.

Seibel Farm (Botetourt County)

Primarily open pastureland with some wooded areas, this highly productive farm includes nearly four miles of James River frontage. Also found on the nearly 560-acre property are piers and anchorings from the James River and Kanawa Canal that, opened in 1789 and abandoned in the 1880s after construction of a parallel railroad, played such an important role in the transportation of goods and travelers during its heyday. In addition, the Seibels' farm is in the drainage area of two known caves and includes riverside, creekside, and slopes above the James determined by the Virginia Department of Conservation and Recreation to contain endangered plant species. The farm owner practices Best Soil Management practices, thereby preserving topsoil, and his land stewardship was widely recognized in 2004 when his farm was honored as Conservation Farm of the Year by the Mountain Castles Soil and Water Conservation District.

A summary chart reflecting localities and acreage of easements acquired and stewarded by the Virginia Outdoors Foundation in Fiscal Year 2007 is included in the Appendices to this Report.

LANDS OWNED BY THE VIRGINIA OUTDOORS FOUNDATION

While the Virginia Outdoors Foundation “preservation of open-space land” mission is accomplished largely through its conservation easements program, VOF also has been instrumental in the success of several other important projects involving acquisition of conservation lands in various regions of the Commonwealth. The VOF currently owns approximately 3,500 acres of conservation land.

The largest VOF land holding is 2,500 acres in the Bull Run Mountains, located in Fauquier and Prince William counties and the eastern-most mountains in Virginia. The Bull Run Mountains comprise one of the largest, relatively intact and unfragmented natural landscapes east of the Blue Ridge in northern Virginia. The VOF leases about 800 acres of the land to the Bull Run Mountains Conservancy, a local nonprofit group that manages it for public access and educational activities. The VOF also holds easements on hundreds of acres in the immediate area. In 2002, the VOF Bull Run Mountain Area landholdings were formally dedicated as Virginia’s 34th State Natural Area Preserve, thus providing this special area with formal recognition and long-term protection.

In Clarke County, the VOF holds 100 acres of Blue Ball Mountain, just west of the Blue Ridge Mountains. A distinct geologic feature jutting into the landscape along the Shenandoah River (designated a Virginia State Scenic River), the Blue Ball is a prominent and familiar part of the southern vista enjoyed by travelers on U.S. 50 crossing the river.

In Rockbridge County, VOF owns 876 acres located on and between beloved and highly recognizable Little House and Big House Mountains. This favorite area for hikers from nearby colleges and universities and the surrounding areas is managed cooperatively with Washington and Lee University, Virginia Military Institute, and the Rockbridge Area Conservation Council, a local conservation organization.

The VOF holds 40 acres located on sandy Kohl’s Island at the confluence of the Potomac River and the Chesapeake Bay in Northumberland County. This property is enjoyed by boaters and home to a federally endangered species.

Through gifts of property and because of its unique independent agency status, VOF has been able to assist with the preservation of other important lands. Among these acquisitions, later transferred to other state and regional entities, are the lands that today comprise a portion of Sky Meadows State Park in Fauquier County, historic Aldie Mill in Loudoun County, a portion of Leesylvania State Park in Prince William County, and a recent addition to the New Kent Forestry Center.

PARTNERSHIPS FOR PRESERVATION GRANTS PROGRAM

The Virginia Outdoors Foundation, in partnership with the Virginia Environmental Endowment, in 2006 initiated an innovative and highly successful mini-grants program, “Partnerships for Preservation: Building Land Trusts in Virginia.” The new venture provided significant outreach to and resource support of the land trust community across the Commonwealth as the financial support of both VOF and the Virginia Environmental Endowment fostered the provision of resources to many groups to undertake projects previously not possible due to financial constraints.

Two rounds of the grants were offered through a Request for Proposals distributed to over thirty land trusts statewide. Sixteen grants were awarded to groups working in a broad geographical cross section of the state and representing a wide array of land trust interests. Several trusts and groups formed partnerships to apply for grant funds for work on joint projects. Grants were awarded to well established trusts as well as newly formed groups. Through its Partnerships for Preservation initiative, VOF focused on training and capacity-building for land trusts in the following four areas.

Training and Assistance for Landowner Outreach and Education

Eight land trusts conducted landowner outreach and education and reached approximately 500 constituents, including landowners and land trust volunteers who learned how to conserve land through the use of conservation easements. In addition, several land trusts developed printed educational materials widely distributed throughout Virginia.

Educational Seminars and Training for Professionals

Two groups, including VOF, conducted seminars and training for land trusts and land conservation professionals. Over 200 professionals, including attorneys, accountants, realtors, and local government officials, were trained in the technical aspects of conservation easements.

Natural Resource Identification and Mapping

Four land trusts conducted resource inventory and mapping using Geographic Information System technology. These land trusts will be able effectively to use their resources to target the important lands in their regions for conservation. In several cases, local governments partnered with the land trusts to utilize the information in land use planning and resource protection.

Stewardship Education

Two land trusts used grant funds for stewardship education for their governing boards, volunteers, and staff. This education included information on land management skills, documentation of conservation properties, and easement monitoring and enforcement. A brief description of selected project highlights follows.

The *Virginia Eastern Shore Land Trust (VES)* launched its “historic properties” initiative in 2006 with assistance from a Partnerships for Preservation grant. The VES identified approximately 40 owners of considerable historic resources within its regional database and convened a landowner outreach workshop attended by over two dozen landowners. Through this outreach, VES recorded conservation easements on three properties listed on the National Register of Historic Places and the Virginia Landmarks Register and recorded easements on thirteen farms with historic structures. By year’s end, VES had protected 20 properties with historic structures and added significantly to its data base for landowner outreach.

The *Valley Conservation Council (VCC)* trained staff with national Land Trust Alliance (LTA) materials focusing on stewardship (including management of stewardship funds and mapping and Global Positioning Systems skills) and capacity building (including management of volunteers, strategic planning, fundraising, and membership development). The training provided VCC greater understanding of its preparation opportunities for LTA accreditation and stronger partnership skills for work relating to its easements. The VCC also produced and widely distributed a new brochure designed to promote conservation easements.

The *Western Virginia Land Trust* convened four landowner meetings in priority counties within its service area. Approximately 30 to 40 persons attended each event that in turn generated at least a ten percent rate of follow-up calls from landowners.

The *New River Land Trust*, in partnership with the *Western Virginia Land Trust*, underwrote a regional training seminar for land trusts. Focusing on strategic planning, organizational development, fundraising, conservation planning, and “green” infrastructure, the seminar was attended by 40 representatives of fifteen organizations from Virginia, North Carolina, and Tennessee.

The *Piedmont Environmental Council* conducted two half-day seminars focused on the Virginia state income tax land conservation easement tax credit program and designed for conservation easement donors, tax credit purchasers, and professionals who work with both groups to complete the conservation easement process. The seminars, offered on a complimentary basis, provided attendees 3.0 Virginia Board of Accountancy Continuing Education Credits and were attended by over 150 accountants, appraisers, attorneys, brokers/ advisors, land trust representatives, public officials, and landowners.

The *Capital Region Land Conservancy* identified the owners of 99 of 115 Natural Heritage sites in its service area (thereby significantly surpassing its identification goals) with plans to use the data to foster outreach to those landowners.

The *Northern Neck Land Conservancy (NNLC)* held two very successful “Farm Country Gatherings” to provide education to landowners on land preservation opportunities. One hundred landowners representing more than 9,000 acres attended the two events, both held at historic properties. Several additional such gatherings are planned given the

success of the first two. In addition, the NNLC is producing a 1,000-copy, new eight-page land preservation primer, 100 of which copies will include a DVD.

In sum, the Virginia Outdoors Foundation/Virginia Environmental Endowment Partnerships for Preservation program was a resounding success across the Virginia land trust community. It enabled many land trusts to develop educational materials, hold seminars and training sessions, identify regional resources, and grow in knowledge of land conservation and land management issues. Of equal importance, it fostered closer partnerships and enhanced working collaboration among local and regional land trusts throughout the Commonwealth. A Fiscal Year 2007 Financial Report for the Partnerships for Preservation program is included in the Appendices to this Report.

OPEN SPACE LANDS PRESERVATION TRUST FUND

Recognizing the importance of open-space land in the Commonwealth and the increasing development pressures on such land, the General Assembly of Virginia in 1997 created the Open Space Lands Preservation Trust Fund (Va. Code Ann. Sections 10.1801-2 (Repl. Vol. 2006)) to assist landowners with the costs of donating open-space easements and to assist in purchasing all or part of the value of such easements. The Preservation Trust Fund (PTF) is capitalized through a 25 percent appropriation of the state General Fund allocation for the Virginia Land Conservation Foundation. In Fiscal Year 2007, the PTF was capitalized in the amount of \$625,000.

Easements receiving Preservation Trust Fund allocations are conveyed to the Virginia Outdoors Foundation and a local easement co-holder, such as a local government entity, Soil and Water Conservation District, or nonprofit conservation organization. Nonprofits that may co-hold easements include, but are not limited to, the Virginia Eastern Shore Land Trust, Chesapeake Bay Foundation, James River Association, and Williamsburg Land Conservancy in the Bay region; Valley Conservation Council in the Shenandoah Valley; Piedmont Environmental Council and Land Trust of Virginia in the northern piedmont region; and New River Land Trust and Western Virginia Land Trust in the western region of the state.

Landowners of property with scenic, scientific, natural, historic, recreational, or open-space value may qualify for Preservation Trust Fund allocations. Each prospective conservation easement is evaluated by VOF staff and its Board of Trustees using the VOF guidelines for accepting easements. (Such guidelines, for example, recommend an overall density of principal residences of one house per 100 acres or less, as well as prohibition of subdivision of parcels of less than 100 acres.) Priority may be given to Preservation Trust Fund applications that seek cost-reimbursement only, demonstrate financial need on the part of the owners, and/or cover a family-owned or -operated farm. Expenditures that may be reimbursed by Preservation Trust Fund monies include legal expenses, appraisal costs, and other costs incurred related to the easement donation, as well as the purchase price of all or part of the value of the easement.

The vast majority of Preservation Trust Fund awards have been for payment of costs associated with the donation of an easement on a family farm by owners of modest financial means. For most PTF applicants, the costs associated with the grant of an easement create an impediment to such easement donation and the PTF awards of generally several thousand dollars each can make it feasible for such landowners to proceed with their gifts of easements to the Commonwealth.

As part of the application process for Preservation Trust Fund awards, landowners are required to submit financial statements as well as a letter to the Virginia Outdoors Foundation explaining their desire to donate a conservation easement on their land. Following are excerpts from clearly heartfelt letters received from landowners whose easements were purchased in FY07 by VOF using Preservation Trust Fund allocations.

In precise handwriting, a Northampton County farmer writes:

Over the past ten years the Eastern Shore has lost over 75% of [its] independent vegetable producers due to weather or market conditions... My wife and I feel that our farm is a very efficient wholesale and retail vegetable production operation while at the same time a piece of the unique Eastern Shore history preserved like few others... At this time of heavy development pressure on the Eastern Shore... the proceeds of this easement would accomplish our goals [of continuing the family wholesale production business, establishing a direct-market retail establishment on Route 13 at which to sell their farm products, and preserving their historic farm house] while at the same time preserving open space for the public good...

An elderly Powhatan County landowner writes:

My husband and I wish to put our 337.4 acres into a conservation easement for a multitude of very important reasons. We have more land value than money... When we pass the land to our children the taxes will exceed monetary inheritance due to the rising price of land in our area... There is also great sentimental value associated with the land that we wish to preserve... [My grandfather] as a little boy would play with the building blocks as the main house was being built in the 1850s... My grandparents... and parents lived [here] and farmed the land raising tobacco, corn, wheat and hay. I... was born here... and hope to die here... Growing up, marrying and raising our three children here and continuing the tradition of farming holds countless fond memories. Now our five grandchildren enjoy the same healthy environment... We want to keep [our family farm] as it is, with cattle grazing on green rolling hills, fish ponds, and foot and horse trails leading through the forest to [the] creek... We have been designated a Tree Farm with a pine plantation that is monitored by the Forest Service... Our hope is to ensure and maintain the balance of wildlife that is in abundance here... Our wish is not to have the land cut up into little pieces with houses springing up like weeds but to pass this wonderful piece of history to our children and their descendents, where the deep roots of history remain alive... It is our desire and intent, and the intent of our children, to preserve the aesthetic quality of this farm, to maintain its history and to keep it a working and productive farm.

A Preservation Trust Fund Fiscal Year 2007 Activity Report is included in the Appendices to this Report. Fiscal Year 2007 financial information for the Fund is included together with the Virginia Outdoors Foundation 2007 Annual Financial Statements, also included in the Appendices.

CONCLUSION

For the Virginia Outdoors Foundation, Fiscal Year 2007 was a year of superlatives. Ever mindful of the outstanding contributions of its many and varied partners, the Foundation expresses sincere appreciation to all who so generously gave of their time, talents, and myriad resources to foster, together, open-space land conservation and preservation across Virginia.

VIRGINIA OUTDOORS FOUNDATION: FISCAL YEAR 2007

Appendices

APPENDIX I

Virginia Outdoors Foundation Office Locations and Regions of Virginia Served

VIRGINIA OUTDOORS FOUNDATION REGIONAL OFFICES

Abingdon/Appalachian Highlands
468 East Main Street, Suite 400B
Abingdon, Virginia 24210
276.623.8256

Blacksburg/Southwest
900 South Main Street
Blacksburg, Virginia 24060
540.951.2822

Charlottesville/Central
1010 Harris Street, Suite 4
Charlottesville, Virginia 22903
434.293.3423

Richmond/Southeast
James Monroe Building
101 N. 14th Street, 17th Floor
Richmond, Virginia 23219
804.225.2147

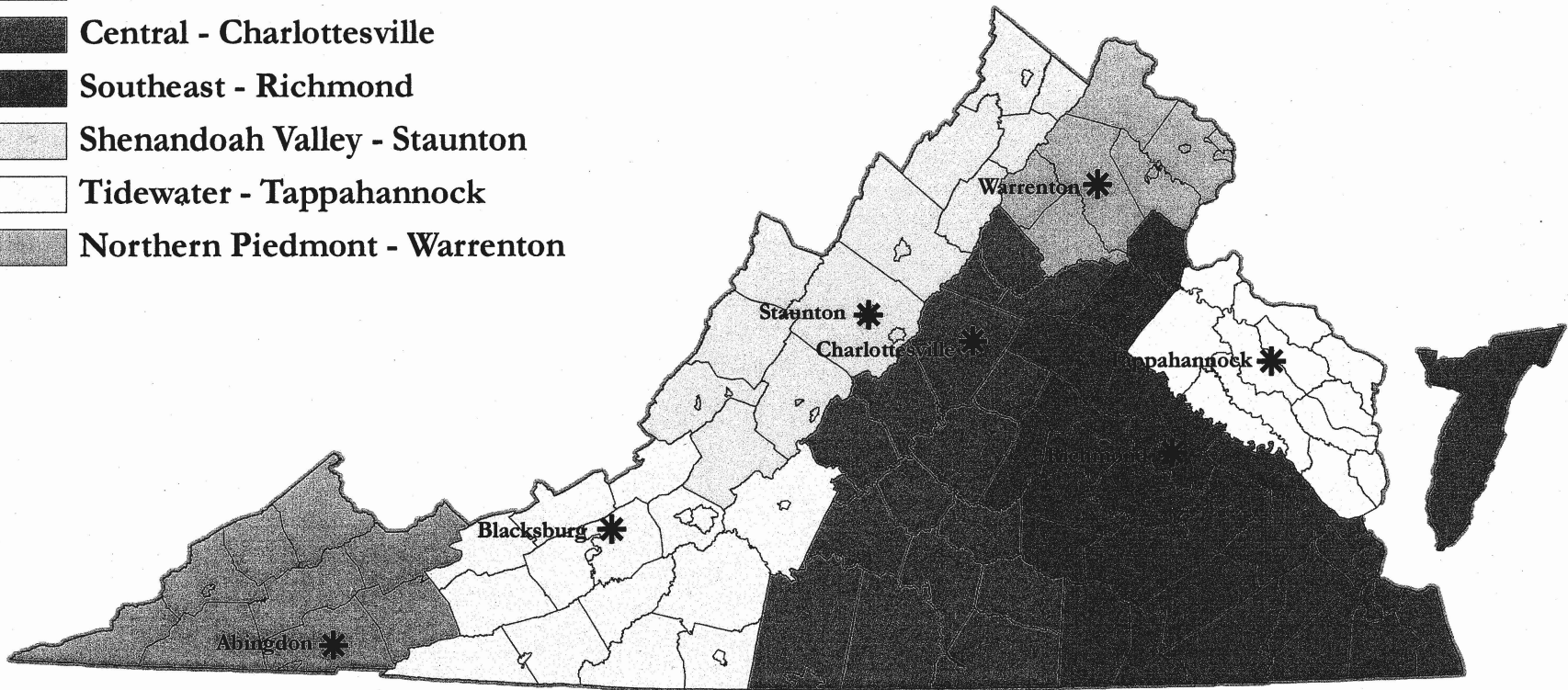
Staunton/Shenandoah Valley
11 East Beverley Street
Staunton, Virginia 24401
540.886.2460

Tappahannock/Tidewater
Post Office Box 38
Millers Tavern, Virginia 23115
804.769.1407

Warrenton/Northern Piedmont
324 Waterloo Street
Warrenton, Virginia 20186
540.347.7727

VOF Regions

-  Appalachian Highlands - Abingdon
-  Southwest - Blacksburg
-  Central - Charlottesville
-  Southeast - Richmond
-  Shenandoah Valley - Staunton
-  Tidewater - Tappahannock
-  Northern Piedmont - Warrenton

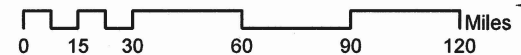


VIRGINIA OUTDOORS FOUNDATION

Regional Offices

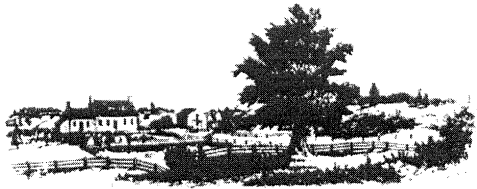
Prepared by: VOF

Date: October 2007



APPENDIX II

Virginia Outdoors Foundation Organizational Chart



Virginia Outdoors Foundation

Bob Lee
Executive Director
Warrenton/Richmond

Administrative	
Human Resources Richmond	Sara Ensley
Staff Counsel Williamsburg	Bruce Stewart
Records/Executive Secretary Richmond	Trisha Cleary
Finance Blacksburg	Anna Chisholm

Administrative Assistant: Beverly Monroe

Tamara Vance
Deputy Director of
Easements
Blacksburg

- Ruth Babylon
Easement Specialist
Blacksburg
- Josh Gibson
Easement Specialist
Blacksburg
- Kristin Ford
Easement Specialist
Charlottesville
- Sherry Buttrick
Easement Manager
Charlottesville
- Anna Clayton Logan
Easement Assistant
Charlottesville
- Neal Kilgore
Easement Manager
Abingdon
- Jackie Perry
Administrative
Assistant
Abingdon

Leslie Grayson
Deputy Director of
Easements
Warrenton

- Estie Thomas
Easement Manager
Tappahannock
- Philip Reed
Easement Specialist
Richmond
- Jennifer Perkins
Easement Specialist
Warrenton
- VACANT
Easement Specialist
- Laura Thurman
Easement Manager
Staunton
- Vicki Drumheller
Administrative
Assistant
Staunton

Susi Mong
Administrative
Assistant
Warrenton

Martha Little
Deputy Director of
Stewardship
Richmond

- VACANT
Stewardship
Specialist
Warrenton
- George Sutton
Stewardship
Assistant
Warrenton
- Doug Wetmore
Stewardship
Specialist
Charlottesville
- Bill Wasserman
Stewardship
Assistant
Abingdon
- Kerry Hutcherson
Policy Analyst
Richmond
- Rusty Ford
Stewardship
Assistant
Staunton
- Abbe Kennedy
Stewardship
Assistant
Staunton
- Erika Richardson
Stewardship
Specialist
Warrenton
- Harriet Maloney
Stewardship
Assistant
Warrenton
- John Peters
Stewardship
Specialist
Richmond
- Ryan Walker
Stewardship
Specialist
Blacksburg
- Erin Wilson
Stewardship
Assistant
Charlottesville
- Melissa Collier
Stewardship
Manager
Staunton

Jeff Matthews
IT Manager
Warrenton

- Jordan Monez
WebMaster
Richmond
- Molly Gerard
GIS Coordinator
Warrenton

	Senior Management
	Full-time Staff
	Part-time Staff
	Temporary Staff

Organizational Chart
May 2007

APPENDIX III

Summary of Easements Acquisition and Stewardship:
Localities, Numbers, Highlights

VIRGINIA OUTDOORS FOUNDATION FY 2007 HIGHLIGHTS			
Locality Name	Easements	Acreage	Stewardship Visits
Albemarle	23	4,033	53
Alleghany	1	386	9
Amherst	2	385	5
Arlington	1	1	
Augusta	14	2,331	19
Bath	6	2,110	
Bedford	1	51	3
Bland	2	1,015	
Botetourt	13	2,422	1
Buckingham			2
Campbell	2	1,118	2
Caroline	3	797	
Carroll	2	471	2
Charles City County	2	148	2
Chesapeake (City)	1	153	
Chesterfield			2
Clarke	5	503	25
Craig	5	2,179	3
Culpeper	2	771	
Danville (City)	1	73	
Dinwiddie	1	100	
Essex	3	1,594	
Fairfax			3
Fauquier	22	5,069	142
Floyd	2	156	12
Fluvanna	4	2,458	7
Franklin	2	552	3
Frederick	5	605	2
Galax (City)			1
Giles	6	1,204	2
Gloucester	1	43	
Goochland	1	392	3
Grayson	6	906	
Greene	10	2,547	5
Hanover	6	1,021	1
Highland	3	2,690	
King and Queen	2	120	
King George	3	231	
King William	1	1,070	
Lancaster	5	618	2
Loudoun	6	914	82
Louisa	3	152	
Lunenburg	1	140	
Madison	13	2,929	

VIRGINIA OUTDOORS FOUNDATION FY 2007 HIGHLIGHTS			
Locality Name	Easements	Acreage	Stewardship Visits
Middlesex	2	476	
Montgomery	7	692	11
Nelson	3	1,044	
Northampton	1	156	
Northumberland	5	231	
Orange	10	1,395	36
Page	2	152	2
Patrick	5	864	
Pittsylvania	2	180	1
Powhatan	2	1,341	3
Prince George	1	475	
Prince William	1	268	3
Pulaski	6	1,566	
Rappahannock	8	1,482	27
Roanoke	1	89	2
Rockbridge	36	6,979	7
Rockingham	6	1,209	1
Russell	2	96	3
Scott	4	248	1
Shenandoah	3	353	
Smyth	1	107	
Southampton	3	436	
Spotsylvania	5	980	1
Stafford	2	157	1
Surry	1	308	
Tazewell	1	4,330	
Warren	6	647	4
Washington	2	226	2
Westmoreland	6	1,523	
Wise			1
Wythe	4	841	2
Total:	330	73,308	501

APPENDIX IV

Partnerships for Preservation Program Financial Report

Partnerships for Preservation Mini-Grants Program			
Funded jointly by the Virginia Outdoors Foundation (VOF) and the Virginia Environmental Endowment (VEE)			
Final Report:			
VA Environmental Endowment Grant:			
Grant #: 05-03			
1st Payment (May 2006)	15,000		
2nd Payment (Sept 2006)	10,000		
Total			\$25,000
VA Outdoors Foundation Disbursements:			
1st Grant Round (June 2006)			
Piedmont Environmental Council	3,000		
New River Land Trust	3,000		
VA Eastern Shore Land Trust	3,000		
Middle Peninsula Land Trust	3,000		
Western VA Land Trust	3,000		
Valley Conservation Council	3,000		
Total 1st Round:			\$18,000
2nd Grant Round (Oct 2006)			
The Potomac Conservancy	3,000		
The 500 Year Forest Foundation	3,000		
New River Land Trust	2,650		
The Land Trust for SW VA	3,000		
Blue Ridge Foothills Conservancy	3,000		
NoVA Conservation Trust	3,000		
Northern Neck Land Conservancy	3,000		
Central VA Land Conservancy	3,000		
Middle Peninsula Land Trust	1,436		
Capital Region Land Conservancy	3,000		
Total 2nd Round:			\$28,086
Matching Costs:			
Staff Time:			
E. Thomas, Project Director	3,080		
Stewardship Training Event (May 06)	5,754		
Easement Training Event (Sept 06)	1,418		
Postage, printing etc.	50		
Total Matching costs:			\$10,302

Program Total:

\$56,388

VOF and VEE each provided half of the total funding for the Mini-Grants Program.

APPENDIX V

Open Space Lands Preservation Trust Fund Activity Report

OPEN SPACE LANDS PRESERVATION TRUST FUND

FY07 REPORT OF ACTIVITY

Locality	Acres	Grants	Other Funding Involved	PARTNERS
Floyd	70	(5,225.00)		
Augusta	226.5	(8,000.00)		
Augusta	236	(4,350.00)		
Lancaster	137	(7,500.00)		
Augusta	226	(3,931.50)		
Augusta	100	(7,711.00)		
Russell	56.75	(3,500.00)		
Russell	42	(3,500.00)		
Bath	379.84	(5,750.00)		
Botetourt	90.7	(6,608.00)		
Augusta	102	(5,471.50)		
Frederick	55	(4,659.00)		
Frederick	64	(5,865.45)		
Powhatan	337.4	(8,000.00)		
Frederick	186	(5,500.00)		
				<i>Farm and Ranch Lands Protection Program</i>
Northampton	156	(225,689.20)	221,500	
Pulaski	272.7	(5,501.35)		
Pulaski	200	(5,498.65)		
Rockbridge	174	(5,437.50)		
Franklin	325.46	(14,357.53)		
Washington	81	(4,500.00)		
Craig	120	(5,102.19)		
Botetourt	68	(4,506.25)		
Botetourt	265.5	(8,377.65)		
Fluvanna	358.2	(8,000.00)		
Grayson	84.2	(3,650.00)		
Augusta	156.61	(7,275.00)		
Rockbridge	130	(4,350.00)		
Stafford	77.8	(3,000.00)		
Grayson	125	(4,250.00)		
Rockbridge	384.42	(6,550.00)		
Augusta	320	(4,600.00)		
Augusta	84	(4,100.00)		
Botetourt	557.98	(7,050.00)		
Scott	45.83	(2,050.00)		
Spotsylvania	135	(3,500.00)		
Rockbridge	151.2	(3,550.00)		
Rockingham	117.59	(8,500.00)		
Clarke	74.79	(233,979.00)	114,075	<i>Clarke County</i>
Powhatan	1004	(717,783.94)	201,000	<i>The Nature Conservancy</i>
Rockbridge	119	(5,210.50)		
Rockbridge	219	(5,345.00)		

OPEN SPACE LANDS PRESERVATION TRUST FUND
FY07 REPORT OF ACTIVITY

Locality	Acres	Grants	Other Funding Involved	PARTNERS
Wythe	166	(5,255.50)		
Rockbridge	486	(5,500.00)		
Franklin	227.4	(8,224.50)		
Wythe	125	(6,110.00)		
Northumberland	80	(6,260.00)		
	9200.87	(1,428,635.21)		

FY07 SUMMARY

	Projects:	Acres:	Funds:	Cost/acre:
Cost Only:	44	7,966	251,183	\$31.53
Purchase:	3	1,235	1,177,452	\$953.56
Total Projects:	47	9,201	1,428,635	\$155.27

SUMMARY OF HISTORY OF PROGRAM

	Projects:	Acres:	Funds:	Cost/acre:
Cost Only:	103	18,399	480,123	\$26.10
Purchase:	18	7,723	4,083,635	\$528.76
Withdrawn:	5		7,750	
Total Projects:	121	26,122	4,571,508	\$175.01
Received from:				
VLCF:			6,643,450	
Other sources:			852,610	

APPENDIX VI

Virginia Outdoors Foundation Annual Financial Statements

Annual Financial Statements of the Virginia Outdoors Foundation for Fiscal Year 2007

Statement of Net Assets For the Year Ended June 30, 2007

	Description	Amount
Assets		
Cash held with the Treasurer of Virginia (GLA 101)		102,887
Cash not with the Treasurer of Virginia		2,854,224
Cash Equivalents with the Treasurer of Virginia - Securities Lending		
Local Government Investment Pool - Cash Equivalents		
State Non-Arbitrage Program (SNAP) Pool Funds		
SNAP Individual Portfolio - Cash Equivalents		
Cash Equivalents with the Treasurer of Virginia (excludes SNAP & LGIP)		
Cash Equivalents not with the Treasurer of Virginia (excludes SNAP)		
Cash and Cash Equivalents - Total		2,957,111
SNAP Individual Portfolio - Investments		
Investments with the Treasurer of Virginia - Securities Lending		
Local Government Investment Pool - Investments		
Investments with the Treasurer of Virginia (excludes SNAP & LGIP)		
Investments not with the Treasurer of Virginia (excludes SNAP)		
Investments - Total		-
Accounts and Loans Receivable, net		221,500
Taxes Receivable, net		
Interest Receivable		
Other Receivable, net		
Receivables, Net - Total		221,500
Due from Primary Government	Supreme Court - Land Recordation Fee (\$58.1-817)	72,100
Due from Component Units	VLCF	500,000
Inventory		
Prepaid Items		18,077
Cash and Travel Advances		
Advances (nonexchange transactions)		
Unamortized Bond Issuance Expense		
Other Assets		
Other Assets - Total		-

Not Audited as of November 1, 2007

Annual Financial Statements of the Virginia Outdoors Foundation for Fiscal Year 2007

Restricted Cash with the Treasurer of Virginia (GLA 101)	
Restricted Cash not with the Treasurer of Virginia	
Restricted Local Government Investment Pool - Cash Equivalents	2,113,915
Restricted State Non-Arbitrage Program (SNAP) Pool Funds	
Restricted SNAP Individual Portfolio - Cash Equivalents	
Restricted Cash Equivalents with the Treasurer of Virginia (excludes LGIP & SNAP)	
Restricted Cash Equivalents not with the Treasurer of Virginia (excludes SNAP)	
Restricted Cash and Cash Equivalents - Total	2,113,915
Restricted SNAP Individual Portfolio - Investments	
Restricted Local Government Investment Pool - Investments	
Restricted Investments with the Treasurer of Virginia (excludes LGIP & SNAP)	
Restricted Investments not with the Treasurer of Virginia (excludes SNAP)	
Restricted Investments - Total	-
Restricted Cash and Travel Advances	
Restricted Advances (nonexchange transactions)	
Restricted Unamortized Bond Issuance Expense	
Restricted Other Assets	
Restricted Other Assets - Total	-
Nondepreciable Capital Assets	8,303,750
Depreciable Capital Assets, Net	160,939
TOTAL ASSETS	14,347,392

Statement of Net Assets For the Year Ended June 30, 2007

Description	Amount
Liabilities	
Vendor	9,462
Salaries/Wages	71,930
Retainage Payable	
Other	
Accounts Payable - Total	81,392
Due to Component Units	
Unearned Revenue	
Obligations Under Securities Lending Program	
Accrued Interest Payable	
Other Liabilities	3,868

Not Audited as of November 1, 2007

Annual Financial Statements of the Virginia Outdoors Foundation for Fiscal Year 2007

Deposits Pending Distribution	
Short-term Debt	
Grants Payable	
Other Liabilities - Due Within One Year - Total	3,868
 Loans Payable to Primary Government	
 Bonds Payable - Due Within One Year	
Installment Purchase Obligations - Due within one year	
Capital Lease Obligations - Due Within One Year	
Notes Payable - Due Within One Year	
Compensated Absences - Due Within One Year	61,531
Pension Liability - Due Within One Year	
Bond Anticipation Notes - Due Within One Year	
Other - Due Within One Year	
Long-term Liabilities - Due Within One Year	61,531
 Accrued Interest Payable	
Other Liabilities	
Deposits Pending Distribution	
Short-term Debt	
Grants Payable	
Other Liabilities - Due Greater Than One Year - Total	-
 Bonds Payable - Due Greater Than One Year	
Installment Purchase Obligations - Due Greater Than One Year	
Capital Lease Obligations - Due Greater Than One Year	
Notes Payable - Due Greater Than One Year	
Compensated Absences - Due Greater Than One Year	20,510
Pension Liability - Due Greater Than One Year	
Bond Anticipation Notes - Due Greater Than One Year	
Other - Due Greater Than One Year	
Long-term Liabilities - Due Greater Than One Year	20,510
 TOTAL LIABILITIES	167,301
 Net Assets	
Invested in Capital Assets, Net of Related Debt	8,464,689
Restricted for:	
Nonexpendable	
Expendable	
Capital Projects Construction	
Capital Acquisition	
Debt Service	
Bond Indenture	
Other	3,935,415
Unrestricted	1,779,987
TOTAL NET ASSETS	14,180,091

OSLPTF AND BULL RUN FUND

Annual Financial Statements of the Virginia Outdoors Foundation for Fiscal Year 2007

Statement of Activities For the Year Ended June 30, 2007

	Amount
Program Revenues	
Charges for Services	10,250
Operating Grants and Contributions	942,358
Capital Grants and Contributions (include capital appropriations here)	
Program Revenues - Total	952,608
Program Expenses	
Operating and Nonoperating Expenses	2,751,640
Loss on Sale/Disposal/Impairment of Capital Assets	321
Program Expenses - Total	2,751,961
Net Revenue (Expense)	(1,799,353)
General Revenues	
Operating Appropriations from Primary Government	1,300,000
Unrestricted Grants and Contributions	33,145
Investment Earnings	284,776
Miscellaneous (only enter a positive amount)	1,635
Gain on Sale/Disposal/Impairment of Capital Assets	
Tobacco Master Settlement	
Other Financing Sources (Uses)	
Special Items	
Extraordinary Items	
Transfers from Component Units	1,703,753
Contributions to Term Endowments	
Contributions to Permanent Endowments	
General Revenue - Total	3,323,309
Change in Net Assets	1,523,956
Net Assets, Beginning	12,656,135
Net Assets, Ending	14,180,091

Virginia Outdoors Foundation (FY 07)

Balance Sheet

As of June 30, 2007

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 Bank of America-Checking	102,887.34
1020 Investment - LGIP	2,854,223.93
Total Bank Accounts	\$ 2,957,111.27
Accounts Receivable	
1110 Accounts receivable	172,099.76
1115 Reimbursable Expenses	0.00
Total Accounts Receivable	\$ 172,099.76
Other Current Assets	
1310 Prepaid expenses	17,486.57
1315 Reimbursable Expense	590.33
1320 OSLPTF Payments (internal transfer w/ PTF)	-247,028.62
Total Other Current Assets	-\$ 228,951.72
Total Current Assets	\$ 2,900,259.31
Fixed Assets	
1605 Purchased Easements	750,000.00
1610 Fee-Owned Preservation Land	5,237,350.00
1620 Buildings & Improvements	30,000.00
1640 Furniture, fixtures, & equip	124,746.90
1650 Vehicles	169,334.85
1745 Accum deprec- furn,fix,equip	-82,838.02
1755 Accum deprec - vehicles	-80,304.24
Total Fixed Assets	\$ 6,148,289.49
Other Assets	
1810 Security Deposits	0.00
Total Other Assets	\$ 0.00
TOTAL ASSETS	\$ 9,048,548.80
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 Accounts payable	0.00
Total Accounts Payable	\$ 0.00
Credit Cards	
2050 Credit card	9,461.80
Total Credit Cards	\$ 9,461.80
Other Current Liabilities	
2015 Security Deposit Payable	750.00
2100 Payroll Liabilities	3,117.76
2350 Unearned/deferred rev - other	0.00
Total Other Current Liabilities	\$ 3,867.76
Total Current Liabilities	\$ 13,329.56
Long Term Liabilities	
2410 Accrued payroll	71,929.99
2420 Accrued Leave Payable	82,040.75
2425 Pension Plan (VRS)	0.00
Total Long Term Liabilities	\$ 153,970.74
Total Liabilities	\$ 167,300.30
Equity	
3000 Unrestricted net assets	950,000.00
3001 Opening Bal Equity	1,042,310.04
3010 Unrestrict (retained earnings)	5,816,658.30
3100 Temporarily restrict net asset	1,100,000.00
Net Income	-27,719.84
Total Equity	\$ 8,881,248.50
TOTAL LIABILITIES AND EQUITY	\$ 9,048,548.80

Not Audited as of November 1, 2007

Virginia Outdoors Foundation (FY 07)	
Profit & Loss	
July 2006 - June 2007	
	Total
Income	
40000 Land Conservation Program (LCP)	
40010 Contributions & Grants	33,145.00
40020 Restricted Grants	19,857.88
40040 Recordation Fees	835,623.05
40050 Interest Income	
40051 LGIP - VOF	144,966.44
40052 LGIP-PTF	100,000.00
Total 40050 Interest Income	\$ 244,966.44
40080 General Fund Appropriation	1,300,000.00
40100 Rental Income - Cabins	10,250.00
40110 Miscellaneous Income	1,634.91
40000 Land Conservation Program (LCP)	2,445,477.28
Total Income	\$ 2,445,477.28
Expenses	
5100 Personal Services	1,602,825.27
5200 Employee Benefits	274,346.37
5300 Professional Services	87,812.37
5400 IT Goods and Services	110,855.29
5500 Program Expenses	241,644.50
5600 Materials & Supplies	73,798.21
6000 Restricted Grant Expense	39,427.00
8400 Depreciation & amortization exp	42,488.11
Total Expenses	\$ 2,473,197.12
Net Operating Income	(27,719.84)
Other Expenses	
9800 Fixed asset purchases	0.00
Total Other Expenses	\$ 0.00
Net Other Income	\$ 0.00
Net Income	(27,719.84)

Not Audited as of November 1, 2007

Open Space Lands Preservation Trust Fund

Balance Sheet

As of June 30, 2007

	Total
ASSETS	
Current Assets	
Bank Accounts	
LGIP-PTF	2,113,914.84
Total Bank Accounts	\$ 2,113,914.84
Accounts Receivable	
Accounts Receivable	1,078,750.00
Total Accounts Receivable	\$ 1,078,750.00
Total Current Assets	\$ 3,192,664.84
Fixed Assets	
Purchased Easement Value	2,316,400.00
Total Fixed Assets	\$ 2,316,400.00
TOTAL ASSETS	\$ 5,509,064.84
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (internal transfer to VOF)	100,000.00
GRANTS PAYABLE	
Cost Only Grants	109,392.38
Purchase Grants	829.00
Total GRANTS PAYABLE	\$ 110,221.38
Total Accounts Payable	\$ 210,221.38
Total Current Liabilities	\$ 210,221.38
Total Liabilities	\$ 210,221.38
Equity	
Opening Balance Equity	3,746,525.21
Retained Earnings	
Net Income	1,552,318.25
Total Equity	\$ 5,298,843.46
TOTAL LIABILITIES AND EQUITY	\$ 5,509,064.84

Not Audited as of November 1, 2007

Open Space Lands Preservation Trust Fund	
Profit & Loss	
July 2006 - June 2007	
	Total
Income	
Grant Income	922,500.00
LGIP Interest Income	139,809.98
VLCF Appropriation	625,000.00
Interest from VLCF	47,240.00
License Fee Proceeds	195,890.00
Total VLCF Appropriation	\$ 868,130.00
Total Income	\$ 1,930,439.98
Expenses	
Cost Only Grants	
Other	261,107.96
Total Cost Only Grants	\$ 261,107.96
Interest to VOF	100,000.00
Miscellaneous	28.97
Purchase Grants	
Payments to Landowner	1,400.00
VOF/PTF Expenses	15,584.80
Total Purchase Grants	\$ 16,984.80
Total Expenses	\$ 378,121.73
Net Income	\$ 1,552,318.25

Not Audited as of November 1, 2007

For More Information,
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