

Why It Matters

Statement of the Issue

Successful land conservation requires action and initiative at all levels that is geared toward the protection of a diversity of lands. State agencies, local communities, and private individuals need the right tools to protect working farms and forests, scenic landscapes, natural areas, wildlife habitat and game lands, historic resources, and parks and recreational areas for present and future generations of Virginians. Virginia currently has a variety of programs and approaches that deliver lasting results across the Commonwealth: the Virginia Land Preservation Tax Credit program, state matching funds for local purchase of development rights (PDR) programs through the Virginia Department of Agriculture and Consumer Services (VDACS) Office of Farmland Preservation, and competitively awarded land preservation funds from the Virginia Land Conservation Foundation.

Without significant and reliable funding for these programs, Virginia will not achieve conservation results at a large enough scale to:

- maintain the quality of life that attracts businesses and tourists to the Commonwealth,
- conserve the land base which supports our two largest industries – forestry and agriculture,
- meet its commitment to restore the Chesapeake Bay,
- access available federal and private conservation dollars that require matching funds,
- and ensure that future generations can enjoy the beautiful, diverse Virginia that we know today.

Background

If current trends continue, over the next 40 years Virginia will lose as many acres of farms, forests, and natural lands to development as have been lost in total in the 400 years since the Commonwealth was settled by Europeans. The rate we are losing rural land is accelerating; we are now losing land at more than two times our rate of population growth. Vitaly important prime farmland is being consumed at the greatest rate, with forestland loss close behind. In addition, we are regularly losing irreplaceable, critical wildlife habitat, important historic sites, and economically valuable scenic resources.

Virginians have said repeatedly in surveys, polls, and at the ballot box that they are willing to invest in the protection of open space. Unfortunately, the Commonwealth has failed to consistently provide adequate funding to protect our most important natural, cultural, and historic resources for the benefit of future generations.

Land Preservation Tax Credit

The Land Preservation Tax Credit is Virginia's most successful, dependable land conservation funding program and is one of the best land conservation tax incentive programs in the nation. This program is an efficient and effective way to encourage private voluntary land conservation by providing taxpayers who make gifts of land or conservation easements tax credits equal to 40% of the value of their donated interest. Landowners with lower incomes who are unable to use all of their tax credits may transfer unused but allowable credits to other taxpayers. Before the implementation of the tax credit, just 19 counties had more than 1,000 acres of land protected by conservation easements. Just nine years after im-

Recommendations: Land Conservation

Virginia needs to make a substantial financial commitment to land conservation by:

- Continuing the Land Preservation Tax Credit Program in its current form.
- Maintaining at least level funding for the PDR and VLCF programs for the 2011-2012 biennium.
- In the coming year, identifying and creating stable funding for VLCF and the state PDR program at \$ 30 million annually per program.

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plementing this program, that number has rocketed to 67 localities with more than 1,000 acres of land protected by conservation easement.

An examination of the donated conservation easements demonstrates that the LPTC program is protecting critically important lands across the Commonwealth. For example, an analysis of the more than 400,000 acres of conservation easements held by the Virginia Outdoors Foundation in 2007 (the largest easement holder in the Commonwealth) shows that:

- 360,000 acres (90%) are within or partially within areas identified by the Department of Conservation and Recreation as ecological core habitat;
- 160,000 acres (40%) are protecting nationally identified prime agricultural soils;
- Over 400,000 acres (85%) are within the Chesapeake Bay watershed and add to the Commonwealth's commitments under the Chesapeake Bay 2000 Agreement;
- 112,000 acres (28%) are protecting visual corridors along state designated Scenic Roads; and
- over 70,000 acres of these protected lands are within state and nationally designated historic districts.

This program is an efficient and effective way for Virginia to encourage private landowners to conserve the most important lands in the Commonwealth. The land conservation community strongly recommends that the General Assembly make no changes to this important land conservation tool.

Local Purchase of Development Rights Programs

In 2007, Virginia made a commitment to working

farms and forestland through an investment of \$4.25 million for farmland preservation at the local level. Localities responded to the state investment by pledging 10 times the amount in matching funds, totaling \$45 million. The matching PDR program requires counties to match dollar for dollar the amount that is granted to them by the state. Virginia is receiving at least a 50% return on its investment.

The original \$4.25 million investment by the Commonwealth will preserve farmland in 14 localities in Virginia. Since these matching funds became available, 20 localities have adopted local PDR programs. There are now 20 localities that realize the importance of preserving working farmland in Virginia. In order for these localities to keep the PDR programs strong; reliable and consistent funding is needed to maximize the potential of this conservation partnership.

In 2005, the Virginia Farmland Preservation Taskforce set a goal of establishing 30 PDR programs in Virginia by 2010. Virginia is well on the way to meeting that goal and localities need a financial commitment by the state in order to keep the programs running. The Taskforce also set a funding goal of \$30 million per year in farmland preservation funding. For the 2009-2010 biennium, Virginia invested \$1.5 million in matching funds for local purchase of development rights programs. The Commonwealth needs to support its partnership with localities to conserve working farm and forest land through continued consistent funding of local purchase of development rights programs. It is critical that in these difficult financial times, the state continue to make investments in PDR funding to ensure that the



Commonwealth's largest industry – agriculture and forestry – continue to have the land on which to operate.

Over the long term, and in order to meet program demand and best preserve Virginia's incomparable natural resources, the Commonwealth should invest \$30 million annually in the Office of Farmland Preservation's state PDR program.

Virginia Land Conservation Foundation

The Virginia Land Conservation Foundation (VLCF) provides state matching grants for the preservation of various categories of special lands in the Commonwealth. These grants are awarded on a competitive basis for the protection of open spaces and parks, natural areas, historic areas, and farmland and forest preservation.

Like the Office of Farmland Preservation, this highly effective program leverages local and federal investment for natural resource conservation by paying no more than 50% of the cost of worthy projects. Grant applications to the VLCF program have consistently far exceeded available funds. Since FY 2000 over \$82 million of grants have been requested of the program while only \$28 million have been available. This represents a lost opportunity for the Commonwealth to capture more than \$50 million in federal, local, and private matching dollars for land conservation.

VLCF was allocated a total of \$4 million over the 2009-2010 biennium, and it is critical that remain at least level for the next biennial cycle. However, in order to meet program demand and best preserve Virginia's incomparable natural re-

sources, the Commonwealth should move to invest \$30 million annually in the Virginia Land Conservation Foundation's grant program in coming years.

Bond Funding

While many funding alternatives exist for funding PDR programs and VLCF, one option is to authorize the issuance of new bonds to support these programs. Funding for land conservation represents a long lasting public investment that benefits current and future residents. Bonding ensures that current and future residents share the cost of providing those benefits. A series of bonds over

a ten year period would provide reliable funding and demonstrate the Commonwealth's commitment to maximizing potential partnerships with localities and other conservation organizations.

In recent years, the Virginia Public Building Authority has been the state entity issuing bonds for land conservation undertaken by the Commonwealth. With nominal amendments to the Virginia Public Building Authority Act (Section 2.2-2260 of the Code of Virginia), the Virginia Public Building Authority could be provided the statutory authority to also fund VLCF and PDR programs with bond proceeds.

According to the Trust for Public Land, 23 statewide bond referendums have passed in the U.S. over the past ten years authorizing the use of over \$13 billion for land conservation. In Virginia, more than two-thirds of voters approved the Commonwealth of Virginia Parks and Natural Areas Bond Act of 2002, which included \$36.5 million for acquiring additional land for parks and natural areas and \$82.5 million for park upgrades and rehabilitation.

Contact

Heather Richards
Director of Land Conservation
Piedmont Environmental Council
540.347.2334
hrichards@pecva.org