



TERRA

Forest CORE Fund

Forest and Community Opportunities for Restoration and Enhancement

2019 Grant Round-Mountain Valley Region Program Manual

Administered by the Virginia Outdoors Foundation

Background

The Commonwealth of Virginia and the Mountain Valley Pipeline, LLC entered into a Memorandum of Agreement for Comprehensive Mitigation of Virginia Resource Impacts of Mountain Valley Pipeline (the “Agreement”) in connection with the construction of the Mountain Valley Pipeline project, an approximately 303.4-mile, 42-inch diameter natural gas pipeline to be constructed in 17 counties in West Virginia and Virginia, crossing six counties in the Commonwealth specifically. The Agreement is a direct result of the cooperation by MVP with the Commonwealth in response to the Environmental Impact Statement prepared as part of the National Policy Act review process.

The Commonwealth of Virginia developed a methodology for assessing the total impact of linear development projects to forest cores and the habitat and ecosystem services they provide. This methodology was used to analyze how the gas pipeline development project changed the sizes, depths, and shapes of forest cores identified by the Virginia Natural Landscape Assessment and to estimate the reductions in interior habitats and ecosystem services resulting from the pipeline project.

The Agreement establishes commitments related to forest conservation based on consideration of the impacts from forest fragmentation as described above. Pursuant to the Agreement, certain funds were allocated by the Commonwealth of Virginia to the Virginia Outdoors Foundation (VOF), which has been tasked with the administration of a grant program to help mitigate such impacts.

VOF is Virginia’s leader in land conservation, protecting nearly 850,000 acres in 109 counties and independent cities. VOF is a public agency, created by the Virginia General Assembly in 1966 pursuant to Virginia Code § 10.1-1800, which states:

The Virginia Outdoors Foundation is established 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, scientific, open-space and recreational areas of the Commonwealth. The Virginia Outdoors Foundation is a body politic and shall be governed and administered by a board of trustees composed of seven trustees from the Commonwealth at large to be appointed by the Governor for four-year terms.

Due to its long history of successful conservation across the Commonwealth, VOF was chosen to develop and administer a grant program to mitigate forest fragmentation. VOF developed project selection criteria as well as a process for evaluating appropriate sites based on the goals and objectives of the MOA and in accordance with the Commonwealth’s policy to conserve its natural resources. Through the review of project proposals, VOF will identify such sites that meet criteria (see project evaluation criteria below) and ensure the selection of projects that are designed to address the impacts of the MVP project on certain forest land in the Commonwealth. VOF will utilize funding received from Mountain Valley Pipeline, LLC to provide grants to projects mitigating the impact of forest fragmentation. VOF will ensure these forests are protected in perpetuity, incorporating timber management for the health of the forest ecosystem including restrictions on timber harvesting.

Overview

The purpose of the Forest CORE Fund is to sponsor forest fragmentation mitigation projects designed to address the impacts of the Mountain Valley Pipeline project (MVP) on the Commonwealth's forests and the resources they support.

Mitigation funds will be obligated and expended in a timely manner that further the goals and objectives of the Agreement. To mitigate the impact of the pipeline, funding awards will be made at the earliest possible stages of substantial tree clearing, grubbing, and construction activity. Grant funds will be made available on a phased timeline.

Projects funded will carry out mitigation activities consistent with the guidelines contained in the Agreement, such as avoided deforestation or preservation of forest, the establishment of new forest, and the restoration/enhancement of forest. Projects that also address community need in impacted areas will be given priority. These guidelines are effectuated in accordance with the project eligibility requirements and the project evaluation criteria set forth below.

A landscape approach to forest conservation will be followed, with Forest CORE Funds being used on land where the Forest Management Provision is appropriate. Working forests, most open land, and structures will need to be protected through partner funding.

While the VOF Board of Trustees has final approval authority, project review will include consultation with a designated Interagency Technical Committee. Grant awards will be announced in September 2019 with a standard completion deadline of thirty months from that date.

Objective

To provide mitigation of forest fragmentation through:

- + Avoided deforestation
- + Establishment of forest land
- + Restoration/enhancement of forest land

Timeline

Grant Cycle – 2019

April 10, 2019	Request for Proposals (RFP) Announced
May 8, 2019	Grant Workshop
June 28, 2019	Application Deadline
September 26, 2019	Grant Announcement Date*
January 2, 2020	Standard Project Start Date
June 5, 2022	Standard Project Completion Deadline

* Grant awards will be finalized as each applicant completes its agreement with VOF

Program Eligibility Requirements

Project proposals will be considered by VOF only if all the following conditions are met:

- Projects **must be located** within a reasonable proximity to, and within the same terrestrial ecoregion as, the location of forest impacts (See Appendix F for Map: Area of Eligible Work);
- Projects **must achieve the durable protection, conservation, restoration, and/or enhancement** of forest habitats similar to those adversely impacted by the pipeline;
- Projects **must be in addition** to any current or planned governmental project or requirement or any private preservation project for which there is already designated public or private funding.

Additional Eligibility Requirements:

The applicant must start work within six months of grant approval.

The applicant must demonstrate that resources are in place to complete the project within thirty months of project approval, with exceptions granted for projects which include afforestation, restoration, or enhancement components. Such an applicant may request and may be granted a contract of extended length in which to complete work.

The applicant must submit a letter from the landowner(s) indicating its/their willingness to participate in proposed projects.

The applicant must demonstrate community support for the proposed project through letters of support. Letters must be included in the application packet. These may be from, for example, local governments, planning district commissions, local conservation groups, businesses, and/or community organizations. Special consideration will be given to projects that demonstrate the following:

- Community connection to the forest (geographic as well as figurative)
- Educational components focusing on the forest ecosystem
- Community need for forest protection
- Ability to aid in the community healing process

The applicant should demonstrate that it will have the necessary funding and staffing to manage the project property in a manner that will achieve the goals described in the grant application and approval.

The applicant may propose conservation easement terms.

Any federal agency applicants purchasing or receiving donated land must designate the property to the appropriate level of resource protection, such as United States Forest Service (USFS) designations of wilderness area or area of special biological significance to ensure that the intent of the program is met.

The value of a fee-simple or easement interest in the project property must be substantiated by an appraisal that meets the requirements of Va. Code § 58.1-512.1, that conforms to the Universal Standards

of Professional Appraisal Practice, and that is completed no more than six months prior to the disbursement of grant funds. A full appraisal is not required at the time of submission of an application, but it is encouraged. If a full appraisal is not available at the time of submission of an application, an applicant may submit a preliminary appraisal.

Eligible Activities:

Projects which result in avoided deforestation such as:

- ✦ Purchase of conservation/open-space easements on properties that will include requirements for forest management and prohibition of conversion of forest land.
- ✦ Purchase of additional limiting terms on land under conservation easement to prohibit conversion of forest land.
- ✦ Fee-simple acquisition of forest land with prohibition of conversion of forest land.

Projects which establish new forest land such as:

- ✦ Afforestation of un-forested lands

Projects which restore or enhance forest land such as:

- ✦ Timber stand improvement to create healthy native forest composition and structure
- ✦ Controlled burning to restore and maintain fire regimes
- ✦ Invasive-exotic species control

Eligible Applicants:

- ✦ State and federal agencies
- ✦ Localities, public bodies, park authorities, planning district commissions, regional public access authorities, tribal councils, and soil and water conservation districts.
- ✦ Charitable corporations, associations, or trusts declared exempt from taxation pursuant to 26 U. S. C. A. §501 (c) (3).

Eligible Property:

The intent of the Forest CORE Fund is to maximize the amount of core forest protected.

Generally, open land and structures will be excluded from funding under a Forest CORE Fund project, except for open land intended for afforestation or reforestation and limited structures necessary for public access, recreational use, or management of the project property.

In most cases, there will be no retained building rights on parcels or easements purchased with Forest CORE Fund monies. Limited construction of buildings, structures, roads, driveways, trails, and utilities are allowable if necessary to facilitate public access and recreational use, or for management of the project property. Existing structures and limited retained building rights must be contained within a defined area.

Eligible Funding:

Grant awards from this grant round may be given for up to 100 percent of total project costs for acquisition of fee title, conservation/open-space easement, and restoration and enhancement work. Projects that leverage outside funds may be prioritized.

Funding may be used for the cost of services such as surveys, title reports, appraisals (including timber stand valuation), and legal services, including services obtained within 12 months prior to the grant award.

Funding may be used for site preparation and restoration and enhancement of forest land, including grading, tree planting, and controlling of invasive species.

Funding may be used for applicant's indirect costs (staff time and overhead), not to exceed 10% of the total grant proposal.

Eligible Match Contributions:

While matching contributions are not a requirement, proposals which leverage grant funds may be given priority. Eligible matching contributions are as follows:

- In-kind contributions;
- Grant funds provided by entities other than VOF;
- Donation of a portion of the value of the easement or the fee being acquired with grant funds;
- Permanent protection of property currently owned by the applicant as part of the project. Property used as match must have been acquired within the two years prior to the commencement of the current grant round.

Match contributions must be received by the applicant no later than the receipt of the grant funds at settlement.

Project Evaluation Criteria

The overall objective of projects executed pursuant to the Agreement is to mitigate the adverse impact of forest fragmentation. A project scoring sheet reflecting the weighted value of the following criteria will be used to evaluate each proposal (see Scoring Sheet). Proposals and scoring sheets will be made public within 14 days of announcement of grant award on the VOF website for both funded and un-funded projects.

In recognition of the impact the pipeline has on the communities through which it passes, no less than 20 percent of the funding in the 2019 grant round will be dedicated to projects with high community support and impact

Primary Criteria:

1. Ecological Integrity of forest to be protected (as demonstrated by the Department of Conservation and Recreation's Natural Heritage Division's 2017 Virginia Natural Landscape Assessment Ecological Cores) or the Forest Conservation Value of forest to be protected (as demonstrated by the Virginia Department of Forestry's 2018 Forest Conservation Value Model, FCV).

2. Proximity of land to be protected to forested land with a high ecological integrity or high forest conservation value, proximity to pipeline, and/or proximity to conserved land.
3. Acreage of forest to be protected or established.
4. Protection of resources of equivalent usefulness and location as the resources impacted by the pipeline.
5. Protection or enhancement of water quality or protection of threatened or endangered species, rare communities, or other natural resources.
6. Significance of a project to address or support the needs of a community that has been disproportionately impacted by the pipeline.

Secondary Criteria:

1. The grant-funded land is made available for public use, including, but not limited to, hiking, hunting, fishing, nature study, photography, and bird watching. Activities incompatible with natural resource protection and management are not allowed.
2. The grant-funded land helps to protect:
 - Locally significant viewsheds
 - Federally-designated Wild and Scenic River or American Heritage River in or bordering Virginia
 - Virginia's Scenic Rivers
 - Virginia Scenic Highways
 - Virginia Byways and/or
 - Nationally-designated scenic lands or recreational trails, including greenways or blueways
3. The project supports local and/or regional comprehensive plan for parks, open space, or outdoor recreational facilities, and /or contributes to the protection of a state, regional, or locally identified conservation corridor.
4. The project addresses a need identified in the Virginia Outdoors Plan or other state, regional, or local plans.
5. The project prevents forest from being converted to other kinds of land use.
6. The project takes into consideration other likely funded projects.
7. The project provides for geographic/regional diversity and equitable distribution across impacted communities.
8. The project has a high likelihood of success (For example, it has a qualified, experienced applicant, site selection has been well-considered, and the project is ready for implementation).
9. The project leverages partner funding.

Land Protection Requirements

In order to ensure the durable protection, conservation, restoration, and/or enhancement of forest, all properties that receive grant funding hereunder shall apply the following land protection measures as appropriate/applicable:

- Dedication of the project property by Virginia public bodies as protected open space under the provisions of the Open Space Land Act Va. Code §§ 10.1-1700 through 1705.
- Granting of open-space or conservation easement held or co-held by a public body
- Inclusion of VOF deed restrictions (To be provided upon request)
- Federal protections that meet or exceed the protections set forth in the Management of Forest restrictions set forth in the above-referenced template.

Virginia Public Bodies

Virginia public bodies shall designate the project property as protected open space under the provisions of the Open Space Land Act Va. Code §§ 10.1-1700 through 1705. In addition, such public bodies shall, through a deed of easement, restrict division, buildings, road building, and provide for durable forest cover protection. See Appendix D for required forest management language. Perpetual protection of the project land must be assured and may include third party enforcement rights in favor of VOF.

Private Organizations 501(c)(3) or Registered Nonprofit Organizations

Charitable corporations, associations, or trusts declared exempt from taxation pursuant to 26 U. S. C. A. §501(c)(3), which must designate a public body to hold or co-hold any open-space or conservation easement. Easement terms shall at a minimum restrict or minimize division, buildings, and road construction and provide for durable forest cover protection. Restrictions on forest management must focus on the preservation, restoration, or enhancement of the forest ecosystem. See Appendix D for required forest management language. Grant funds shall be reimbursed to VOF in the event of a subsequent transfer to a party other than a public body or a taking pursuant to an eminent domain proceeding under federal law. An exception to the reimbursement requirement set forth above may be granted if there is a commitment to transfer the project property to a federal agency.

Federal Agencies

Any land acquired for or purchased by a federal agency must be assigned the appropriate level of resource protection, such as the USFS designation of wilderness area or area of special biological significance, to ensure the intent of the program is met.

Application Information/Deadline

All applications must be submitted digitally through an online drop box. If digital submission is an impediment, other arrangements can be made available.

Contact the Conservation Program Administrator at ewhite@vofonline.org **no later than one week prior to the deadline** to provide notification of an intent to apply. Instructions for uploading the digital

application and supporting documentation will be provided via email.

Completed applications, support documents, and a GIS shapefile of the project must be submitted **no later than 4:00 PM on Friday, June 28, 2019**. With the exception of the GIS file, please convert all material to PDF format, and please ensure that the file is searchable.

Application pre-screening by VOF staff is available and encouraged. Please contact the Conservation Program Administrator, ewhite@vofonline.org, to initiate this process.

General Application Inquiries: contact the Virginia Outdoors Foundation, Conservation Program Administrator, ewhite@vofonline.org.

Application Review and Approval

Step 1: Initial VOF Staff Review

Project proposals will be reviewed by VOF staff for accuracy and completeness. Complete applications will be forwarded to a designated Interagency Technical Committee for review and scoring on technical criteria.

Step 2: Interagency Technical Committee Review

Following the completion of the initial review, an Interagency Technical Committee composed of one staff person from each of the following partner agencies will review, discuss, and score each proposal. One score will be accepted from each of the following agencies:

- ✦ Virginia Department of Conservation and Recreation (Natural Heritage Division)
- ✦ Virginia Department of Forestry
- ✦ Virginia Department of Game and Inland Fisheries
- ✦ Virginia Department of Transportation
- ✦ Virginia Outdoors Foundation

Representatives from the Virginia Department of Environmental Quality (DEQ) will serve as an Advisory Council to the Interagency Technical Committee as well as to the VOF Board of Trustees. The Advisory Council will evaluate the environmental justice impact of each project. This will be a qualitative rather than quantitative assessment. Please see Appendix E for a description and definition of environmental justice.

The technical scores as well as the guidance from the Advisory Council will be provided to the VOF Special Forestry Committee of the VOF Board of Trustees.

Step 3: VOF Special Forestry Committee Review

The Special Forestry Committee, consisting of two VOF Board of Trustees, with the assistance of VOF staff, will review the technical scores of the Technical Committee and the guidance of the Environmental Justice Advisory Council. The Special Forestry Committee will also evaluate the project by taking into consideration regional/equitable distribution of funds, public benefit, environmental justice, and community impact. The Special Forestry Committee will make recommendations for funding to the VOF Board of Trustees.

Step 4: Final Review

The VOF Board of Trustees, a Governor-appointed seven-member board, is empowered to make the final decision on project selection. VOF staff will present the recommendations of the Special Forestry Committee to the Board for approval. Additional expert opinion from the Technical Committee or Environmental Justice Advisory Council may be requested by the Board. Following qualified approval by the VOF Board of Trustees, (pending further environmental studies, appraisal reports and reviews, etc., and for project proposed by a local governmental unit -a formal resolution of support from such unit) a formal grant agreement will be issued for execution by the applicant and VOF. Except in the case of a proposed federal agency acquisition, agreements on all approved projects shall include a provision that requires the project property to be protected in perpetuity.

Grant Award Announcement & Requirements

Award Announcement

- ✦ Following the final review and selection process, VOF will notify a grant recipient in writing of its award and, after a grant agreement is executed, when it may proceed with the project.

Required Outreach and Printed Materials

- ✦ The successful applicant will release information to the media informing the community of the project and acknowledging that it has received funding from VOF.
- ✦ All press releases and other printed materials and publications, audiovisuals, and signs pertaining to the project must be reviewed by VOF before use.
- ✦ A VOF sign (provided at no cost to the applicant) will be installed on each protected property.

Reporting

- ✦ Grant recipients shall submit brief progress reports twice a year to VOF on the status of grant implementation. The first report will be due on June 30, 2020, and the second report will be due on December 31, 2020. Subsequent reports (if any) will be due every six months thereafter. A final report is due upon completion of the project.
- ✦ Financial reports are required for reimbursement.

Funds Disbursement

Funds may be disbursed throughout the lifespan of the contract based on reported milestones and financial expenditures, as determined between grant recipient and VOF and outlined in the grant agreement. Disbursement will be made on a reimbursement basis. All purchases shall be made in accordance with the Virginia Public Procurement Act when applicable. Funding at or after settlement will be based on the project costs (less matching contributions). VOF grant funds disbursed will not exceed the appraised value of the project property, plus eligible documented costs incurred, not exceeding the grant amount awarded.

When establishing a timeline for reimbursement, land protection activities must be completed before any funds may be accessed for afforestation, restoration, or enhancement.

Required Deliverables:

- ✦ An appraisal of fair market value of the project property (in the case of a fee acquisition) or of the easement value of the project property by a Virginia licensed appraiser that meets USPAP standards, prepared within six months before closing.
- ✦ For fee-simple acquisition, a survey of the project property to ALTA/ACSM standards prepared by a Virginia licensed surveyor.
- ✦ For easements, VOF may waive the requirement of an ALTA Survey if it is determined by VOF that an existing boundary survey and adequate legal description of the Property is available and sufficient to accurately describe the property.
- ✦ A Phase 1 Environmental Site Assessment of the project property for all fee-simple acquisition projects (but not for easement projects).
- ✦ A commitment for owner's title insurance less than ninety (90) days old showing title vested in the seller of the project property and that upon closing of the transaction, a public body will hold an unencumbered priority interest in the project property subject to an easement or other encumbrances of record acceptable to VOF.
- ✦ After closing a final title insurance policy.
- ✦ A copy of the final deed, the form of which has been approved by VOF, and an arrangement for final execution and recordation.
- ✦ A copy of the recorded deed.
- ✦ Verification of eligible expenditures including, but not limited to: copies of invoices, bills of sale, cancelled check, etc.

Grant Completion

Projects that have been awarded grant funds must be completed within thirty months from the date of approval, or the grant funds will revert to VOF fund under which they were awarded. Projects which include afforestation, restoration, or enhancement components may request a non-standard contract length in which to complete work. For all other projects, one twelve-month administrative extension may be granted, provided there is adequate justification for the delay and reasonable assurances provided that the project will be completed as approved.

Should there be uncommitted funds after the initial grant round, additional grant rounds will be announced in the future as needed until all mitigation funds have been expended.

Reference Material (Appendices):

- A. Information about the MVP MOA may be found here:
http://www.virginiaoutdoorsfoundation.org/download/terra/fcfmvp/2019/20190410_vof_fcf-mvp_cov_mvp_moa.pdf
- B. Sample public body deed template (fee title and easement) with Minimum Deed Terms: TO BE PROVIDED UPON REQUEST
- C. Sample private organization deed template (fee title and easement) with Minimum Deed Terms: TO BE PROVIDED UPON REQUEST
- D. Forest Management Provision: http://www.virginiaoutdoorsfoundation.org/download/terra/fcfmvp/2019/20190410_vof_fcf-mvp_appendix_d.pdf
- E. Environmental justice supplement: http://www.virginiaoutdoorsfoundation.org/download/terra/fcfmvp/20190410_vof_fcf-mvp_appendix_e.pdf
- F. Maps: http://www.virginiaoutdoorsfoundation.org/download/terra/fcfmvp/2019/20190410_vof_fcf-mvp_appendix_f.pdf
 - + MVP Area of Eligible Work: Reasonable Proximity
 - + MVP Pipeline Route through Counties
 - + MVP Pipeline Route through Ecoregions
 - + MVP Pipeline Route through 8-Digit Hydrologic Units
- G. Copies of this grant manual, the application, the scoring sheet, and other related materials may be found here: <http://www.virginiaoutdoorsfoundation.org/terra/fcf-mvp/>