



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
NASHVILLE, TENNESSEE 37243-0435

ROBERT J. MARTINEAU, JR.
COMMISSIONER

BILL HASLAM
GOVERNOR

MEMORANDUM

TO: Governor Bill Haslam
Governor of the State of Tennessee

Lieutenant Governor Ron Ramsey
Speaker of the Senate

Speaker Beth Harwell
Speaker of the House of Representatives

The Honorable Steve Southerland
Chairman of the Senate Energy, Agriculture, and Natural Resources Committee

The Honorable Curtis Halford
Chairman of the House Agriculture and Natural Resources Committee

The Honorable Mike Bell
Chairman of the Senate Government Operations Committee

The Honorable Jeremy Faison
Chairman of the House Government Operations Committee

The Honorable Justin P. Wilson
Comptroller of the State of Tennessee

FROM: Robert J. Martineau, Jr.
Commissioner

DATE: July 27, 2016

SUBJECT: Tennessee Heritage Conservation Trust Fund Board Annual Report

A handwritten signature in blue ink, appearing to read "RJM", is located to the right of the "FROM:" line.

Tennessee Code Annotated § 11-7-104 requires the Tennessee Heritage Conservation Trust Fund Board to submit an annual report to the Governor, Speaker of the House of Representatives,

Speaker of the Senate, Comptroller of the Treasury, Chair of the Energy, Agriculture, and Natural Resources Committee of the Senate, Chair of the Agriculture and Natural Resources Committee of the House of Representatives, Chair of the Government Operations Committee of the Senate, and Chair of the Government Operations Committee of the House of Representatives by June 30 of each year. Attached is your copy of the report for FY 2015-16. Please feel free to contact me or my staff if you have any questions.

Tennessee Heritage Conservation Trust Fund, Board of Trustees
2016 Report

Mission: The Tennessee Heritage Conservation Trust Fund Board of Trustees seeks to protect significant natural areas in Tennessee by strategically partnering with landowners, government agencies, non-profit organizations, for-profit companies and others.

The Tennessee Heritage Conservation Trust Fund and Board was established in June, 2005, to assist the state in permanently conserving and preserving tracts of land within the state of Tennessee for the purposes of promoting tourism and recreation, including outdoor activities such as hunting, fishing, equestrian activities and hiking; protecting, conserving and restoring the state's physical, cultural, archeological, historical and environmental resources; and preserving working landscapes. In 2012, the General Assembly passed Public Chapter 986 transferring the duties of the Conservation Commission to the Board.

The board is administratively attached to the Department of Environment and Conservation.

The board has no staff, but is supported by a staff person within TDEC-State Parks in matters regarding grant management, board meeting correspondence, and reports.

The 11-member board, made up of a diverse group from across the state of Tennessee, met quarterly during 2006, 2007 and 2008 to review grant proposals and award grants to other governmental agencies, land trust groups, and other conservation organizations. The trust fund's dollars were leveraged with additional funding sources from the grantee to acquire lands/parks of high conservation/natural resources significance or in some cases to provide for conservation easements. The average leverage was over 2:8:1 (over \$2.80 from other sources to match each \$1.00 spent from the Trust Fund).

Grants made by the board pursuant to T.C.A. Section 11-7-105(2), and the projects funded by these grants, were all acquired through the grant process that the board developed. All HCTF funded projects are to be protected in perpetuity through deed restrictions or covenants whether by fee simple purchase, conservation easements or other similar means.

The projects approved for grant awards must meet certain criteria before the funds are provided, including property surveys and appraisals, environmental assessments and enactment of mechanisms like conservation easements to guarantee the permanent protection of the properties.

The Board has a proven record of protecting important and valuable properties and leveraging the funds entrusted to it. The Board met on October 06, 2015 and again on June 23, 2016. The Board plans on meeting after the September 30, 2016 grant application deadline. The legislative confirmation hearing for the Heritage Conservation Trust Fund Board was held in February of 2016.

The last funded grant project closed in 2016 -- the Giles tract at Rocky Fork, which is the entrance to the Rocky Fork State Park.

Attachment 1 shows the fund balance.

To see all projects that have been funded by the Heritage Conservation Trust Fund, please refer to *Attachment 2*.

Attachment 3 shows the most recently approved projects.

Heritage Conservation Trust Fund

FY 2015-16

Attachment 1

Beginning Fund Balance July 1, 2015		\$ 1,690,463
Revenues:		
Appropriations	\$ -	
Amortized Lease Proceeds	\$ 937,500	
Interest	\$ 7,773	
Total	<u> </u>	\$ 945,273
Expenditures:		
Rocky Fork State Park - .99 acres	\$ 35,000	
Administration	\$ 1,975	
Total Expenditures	<u> </u>	\$ 36,975
Transfers:		
		\$ -
Ending Fund Balance June 30, 2016		<u>\$ 2,598,761</u>
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Outstanding Obligations (As of June 30, 2016):		
	\$ -	
Total Outstanding Obligations (As of June 30, 2016)	<u> </u>	<u>\$ -</u>
June 30, 2016 Balance after Outstanding Obligations		<u>\$ 2,598,761</u>
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Tennessee Heritage Conservation Trust Fund - Funding History

Partner	Year	Total Project Cost	Trust Fund Grant Award	Acres Protected	Type of Acquisition
1 John Noel (Bon Aqua)	2006-2008	\$325,000	\$56,203	\$ 35.00	
2 Land Trust for Tennessee (Hiwassee River)	2006-2008	\$1,281,000	\$351,250	70.00	Conservation Easements
3 Land Trust for Tennessee (Lost Cove)	2006-2008	\$4,300,000	\$1,750,000	2,987.00	Fee simple and conservation easement
4 TN Nature Conservancy (Skinner Mountain)	2006-2008	\$5,683,437	\$2,500,000	4,208.00	Fee simple
5 TN Division of Forestry (Big Forks Tree Farm)	2006-2008	\$2,145,000	\$459,500	1,867.00	Conservation Easements
6 TDEC (Bowater Phase II)	2006-2008	\$4,160,000	\$4,160,000	2,997.00	Fee simple
7 Tennessee Wildlife Resources Agency (Briggs Tract)	2006-2008	\$1,280,832	\$300,000	722.00	Fee simple
8 Tennessee Wildlife Resources Agency (Great Bay Timber)	2006-2008	\$2,057,500	\$561,029	2,048.00	Fee simple
9 TDEC (Bowater Phase III)	2006-2008	\$960,700	\$737,549	349.00	Fee simple
10 Southern Appalachian Highlands Conservancy (Rocky Fork)	2006-2008	\$40,000,000	\$6,000,000	10,000.00	Fee simple
11 Historic Rugby	2006-2008	\$425,000	\$425,000	186.00	Fee simple
12 Franklin's Charge (1864 Battlefield)	2006-2008	\$5,150,000	\$900,000	112.00	Fee simple
13 Friends of Warner Park (Hwy 70/100)	2006-2008	\$16,000,000	\$1,600,000	323.00	Fee simple
14 Metro Parks and Greenways (Mill Creek)	2006-2008	\$1,599,000	\$200,000	72.00	Fee simple
15 State Parks (Savage Gulf)	2006-2008	\$8,700,000	\$3,500,000	4,400.00	Fee simple
16 State Parks (Hazelwood Girl Scout Camp)	2006-2008	\$1,500,000	\$500,000	330.00	Fee simple
17 The Nature Conservancy (Bear Hollow - Butler-Jones Tract)	2006-2008	\$970,450	\$470,450	1,011.00	Fee simple and conservation easement
18 The Nature Conservancy (Bear Hollow - Thompson Tract)	2006-2008	\$806,692	\$400,000	806.00	Fee simple
19 TN Parks and Greenways Found. (Campoamor Tract/Scott's Gulf)	2006-2008	\$2,170,000	\$811,936	689.00	Fee simple
21 Tennessee Wars Commission (Davis Bridge)	2006-2008	\$1,929,000	\$864,500	643.00	Fee simple
22 Tennessee Wars Commission (Parker's Crossroads)	2006-2008	\$800,000	\$300,000	86.00	Fee simple
23 Tennessee Wildlife Resources Agency (Shaw Tract)	2006-2008	\$3,813,375	\$953,344	1,017.00	Fee simple
24 Friends of Radnor Lake (Radnor Lake Acquisition)	2006-2008	\$3,320,000	\$500,000	43.50	Fee simple
25 Metro Nashville/LTTN (Beaman Park to Bells Bend Conservation Project)	2006-2008	\$1,021,000	\$306,000	290.30	Conservation Easements
26 TN State Parks (Cumberland Trail - Kinzalow Acquisition)	2006-2008	\$4,360,000	\$1,000,000	3,200.00	Fee/Easement
27 Civil War Preservation Trust (Saving Shiloh Battlefield)	2006-2008	\$588,000	\$235,000	161.42	Fee simple
28 Tennessee Wildlife Resources Agency (Roller-Young Tracts at Short Mtn.)	2006-2008	\$400,000	\$60,000	942.00	Fee simple
29 The Conservation Fund (Rocky Fork)	2015	\$55,000	\$35,000	0.99	Fee simple
TOTAL		\$115,800,986	\$29,936,761	39,596.21	

All previously funded projects are closed and complete.

Attachment 3

Summary of Heritage Conservation Trust Fund approved projects 6-23-16

1. Denny Cove - The Access Fund – APPROVED at requested amount of funding

County: Marion
Current Owner: American Timberland Fund c/o BTG Pactual
Acres: 676
Proposed Management: TDEC/South Cumberland State Park
Amount Requested: \$100,000 of expected \$1,266,800 cost
Applicant Organization: The Access Fund
Contact Name: Zachary Lesch-Huie

2. Kingsport - Pierce Property - Bays Mountain – City of Kingsport – APPROVED at 50% of the requested amount (\$31,125)

County: Sullivan
Current Owner: Jack Pierce & Betsy Ann Pierce, Starlee P Avery
Acres: 41.47
Proposed Management: City of Kingsport
Amount Requested: \$62,250 of expected \$91,000 cost
Applicant Organization: City of Kingsport
Contact Name: Morris Baker

3. Cleeces Ferry Farm - The Land Trust for Tennessee – APPROVED at requested amount of funding

County: Davidson
Current Owner: Thomas Brothers
Acres: 106.93
Proposed Management: Metro Nashville
Amount Requested: \$300,000 of expected \$1,025,000 cost
Applicant Organization: The Land Trust for Tennessee
Contact Name: Emily Parish

4. Northwest Boundary Acquisition at Radnor Lake – Friends Of Radnor – APPROVED at 50% of the requested amount (\$175,000)

County: Davidson
Current Owner: Ed Yarbrough

Acres: 12.36 acres
Proposed Management: TDEC/ Radnor Lake SNA
Amount Requested: \$350,000 of expected \$1,178,183.00 cost
Applicant Organization: Friends of Radnor Lake
Contact Name: Gretchen Pritchett

5. Middle Fork of Forked Deer - Manning – TennGreen – APPROVED at requested amount of funding

County: Madison
Current Owner: Kenny Manning
Acres: 355 acres
Proposed Management: TWRA
Amount Requested: \$100,000 of expected \$1,628,733 cost
Applicant Organization: TennGreen
Contact Name: Steve Law

6. The Narrows - The Nature Conservancy – APPROVED at requested amount of funding

County: Franklin
Current Owner: John Butler and Crystal Jones
Acres: 1350 acres
Proposed Management: TWRA
Amount Requested: \$250,000 of expected \$1,490,150.00 cost
Applicant Organization: The Nature Conservancy
Contact Name: Gabrielle Lynch

7. Beau Property – Wolf River Conservancy – APPROVED at requested amount of funding

County: Fayette
Current Owner: Robert Beau and Ann Andrews
Acres: 43.51 acres
Proposed Management: Wolf River Conservancy
Amount Requested: \$45,000 of expected \$90,000 cost
Applicant Organization: Wolf River Conservancy, Inc.
Contact Name: Bob Wenner, CFO