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Forest CORE Fund

Forest and Community Opportunities for Restoration and Enhancement

Mountain Valley Region Grant Program Manual

Administered by the Virginia Outdoors Foundation
Revision date: 11.15.2024

Background

The Commonwealth of Virginia and the Mountain Valley Pipeline, LLC (MVP, 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, LLC 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 more than 910,000 acres in 114 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 from the Agreement 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 for 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 alternative funding sources.

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 at the first Board meeting of the calendar year with a standard completion deadline of thirty months.

Objective

To provide mitigation of forest fragmentation through:

- Avoided deforestation.
- Restoration of forest land.
- Enhancement of forest land.

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 B 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; and,
- 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

- Proposals must be project specific.
- The applicant must submit documentation from the landowner(s) indicating its/their willingness to participate in proposed projects.
- 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 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.
- 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 Project Types

- Fee-simple purchase of forested land.
- Purchase of conservation/open-space easements.
- Purchase of timber harvesting rights.
- Restoration and enhancement activities such as:
 - Tree planting.
 - Timber stand improvement to create healthy native forest composition and structure.
 - Controlled burning to restore and maintain fire regimes.
 - Invasive-exotic species control.

Eligible Area of Work

- Counties of Alleghany, Amherst, Appomattox, Bath, Bedford, Bland, Botetourt, Campbell, Carroll, Charlotte, Craig, Giles, Grayson, Floyd, Franklin, Halifax, Henry, Lunenburg, Mecklenburg, Montgomery, Patrick, Pittsylvania, Prince Edward, Pulaski, Roanoke, Rockbridge, Smyth, Tazewell, and Wythe as well as those towns and cities within their boundaries (See Appendix C: Map of Eligible Area: Reasonable Proximity)

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 Type

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 Components

- Acquisition of fee title or conservation/open-space easement.
- Due diligence costs such as surveys, title reports, appraisals including timber stand valuation, and legal services including services obtained within 12 months prior to the grant award.
- Planning material such as design work, site plans, and master plans.
- Site preparation, planting materials, and maintenance costs for restoration and enhancement including site preparation, tree planting, and invasive species control.
- Infrastructure to assist in community enjoyment of property such as trails, signage, bridges, boardwalks, parking, picnic areas, and bathrooms.
- Administrative costs, capped at 5% of the funding request.

Eligible Funding

Grant awards 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. Funds for acquisition may be available prior to land protection. Projects that leverage outside funds are encouraged.

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).

Primary Criteria:

1. Ecological Integrity of forest to be protected (as demonstrated by the Virginia 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.

Secondary Criteria:

1. Planned forest restoration or enhancement activities.
2. Inclusion of an educational or research focus.
3. Availability of grant-funded land 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.
4. Location within an impacted watershed (8-digit hydrologic unit).
5. The protection of:
 - 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.
 - Nationally designated scenic lands or recreational trails, including greenways or blueways.
6. Demonstrated community support for the proposed project through letters from local governments, planning district commissions, local conservation groups, businesses, and/or community organizations.
7. Documentation of the cultural or historical significance of a project site.
8. Support of local and/or regional comprehensive plans for parks, open space, or outdoor recreational facilities.
9. Contributes to the protection of a wildlife corridor or wildlife corridor buffer as designated by the Virginia Wildlife Corridor Action Plan.
10. Addresses a need identified in the Virginia Outdoors Plan or other state, regional, or local plans.
11. Geographic/regional diversity of project type and award distribution.
12. Likelihood of success (experienced applicant, site selection has been well-considered, and the project is ready for implementation).
13. Provision of matching 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. Terms must include a restriction on forest conversion as well as the Forest CORE Fund Forest Management Provision.

- 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 Forest Management Provision.

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 B 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 B 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.

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 through an online process, which can be accessed at <https://www.vof.org/protect/grants>. If digital submission is an impediment, other arrangements may be made available.

Completed applications, support documents, and a GIS shapefile of the project must be submitted **no later than 5:00 PM on the due date**.

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

General Application Inquiries: contact the Virginia Outdoors Foundation, Conservation Grant Program Staff, grants@vof.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 as well as a discussion of those qualities not captured by the scoring sheet.

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 Wildlife Resources
- Virginia Outdoors Foundation

In addition to the technical scoring, the Interagency Technical Committee will also consider those qualities not captured by the technical data, such as community significance, temporal issues, and regional/equitable distribution of funds.

Grant funding recommendations from the Interagency Technical Committee will be provided to the VOF Board of Trustees.

Step 3: 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 Interagency Technical Committee to the Board for approval. Additional expert opinion from the Technical Committee 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, all applicants will be notified of their status regardless of approval.
- Notice of grant award letters will be distributed through email, with grant agreements to follow within two weeks of award announcement. Grant agreements must be signed and returned to VOF within 45 days of receipt, though extensions may be considered upon request.

Outreach and 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 six months from the signing of the grant agreement. 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.

Fund 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 to exceed the grant amount awarded.

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

Acquisition funds are available at the time of acquisition if all due diligence requirements have been fulfilled. Land protection must occur within a reasonable timeframe as outlined in the grant agreement. Should a grant award contain funding for establishment, restoration, or enhancement, the final 10% of the grant award will be held until the project is declared complete.

A current Commonwealth of Virginia W-9 form must be on file before any funds are disbursed. VOF will only issue payment to the grant recipient; no funds will be paid directly to a vendor.

Funding requests are usually processed and fulfilled within two weeks of receipt. Funds may be distributed via paper check through the United States Postal Service to the remittance address provided on the W-9. In the case of real estate transactions, VOF may wire funds to the closing agent if all required due diligence items have been reviewed and approved.

Should fund status allow, award increases up to 10% may be considered and approved administratively under the following conditions:

- The increase request has been reviewed by Deputy Directors and found to be justified, supported with appropriate documentation; and,
- The Deputy Directors have reviewed the availability of funds and current budget status and have approved the increase.

Required Documentation:

- 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 effective within six months of the acquisition.
- 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 draft 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 the 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 final grant round, a Request for Proposals (RFP) will be announced in the future until all mitigation funds have been expended.

Contract Termination

VOF reserves the right to reclaim grant funds or to nullify the grant agreement if a recipient fails to meet deadlines including the signing of the grant agreement in the requested timeframe, to provide required documentation, or to produce listed deliverables. Specifically, if no significant progress has been made after the first year of the contract, the grant agreement may be nullified and funds reassigned.

Reference Material (Appendices):

- A. MVP, LLC Memorandum of Agreement:
<https://www.vof.org/wp-content/uploads/2024/11/MVP-VA-Comprehensive-Mitigation-Agreement-12-22-2017-FULLY-EXECUTE..pdf>

- B. Forest Management Provision:
<https://www.vof.org/wp-content/uploads/2024/11/FY25-Forest-Management-Provision.pdf>

- C. Maps:
<https://www.vof.org/wp-content/uploads/2024/11/FY25-FCF-Maps-All.pdf>
 - 1. MVP Area of Eligible Work: Reasonable Proximity
 - 2. Impacted Ecoregions Along MVP Route
 - 3. Impacted Watersheds (8-Digit Hydrologic Units) Along MVP Route
 - 4. Conservation Land Along MVP Route

- D. Copies of this grant manual, the grant round timeline, the application, the scoring sheet, and other related materials may be found here:
<http://www.vof.org/terra/fcf-mvp/>