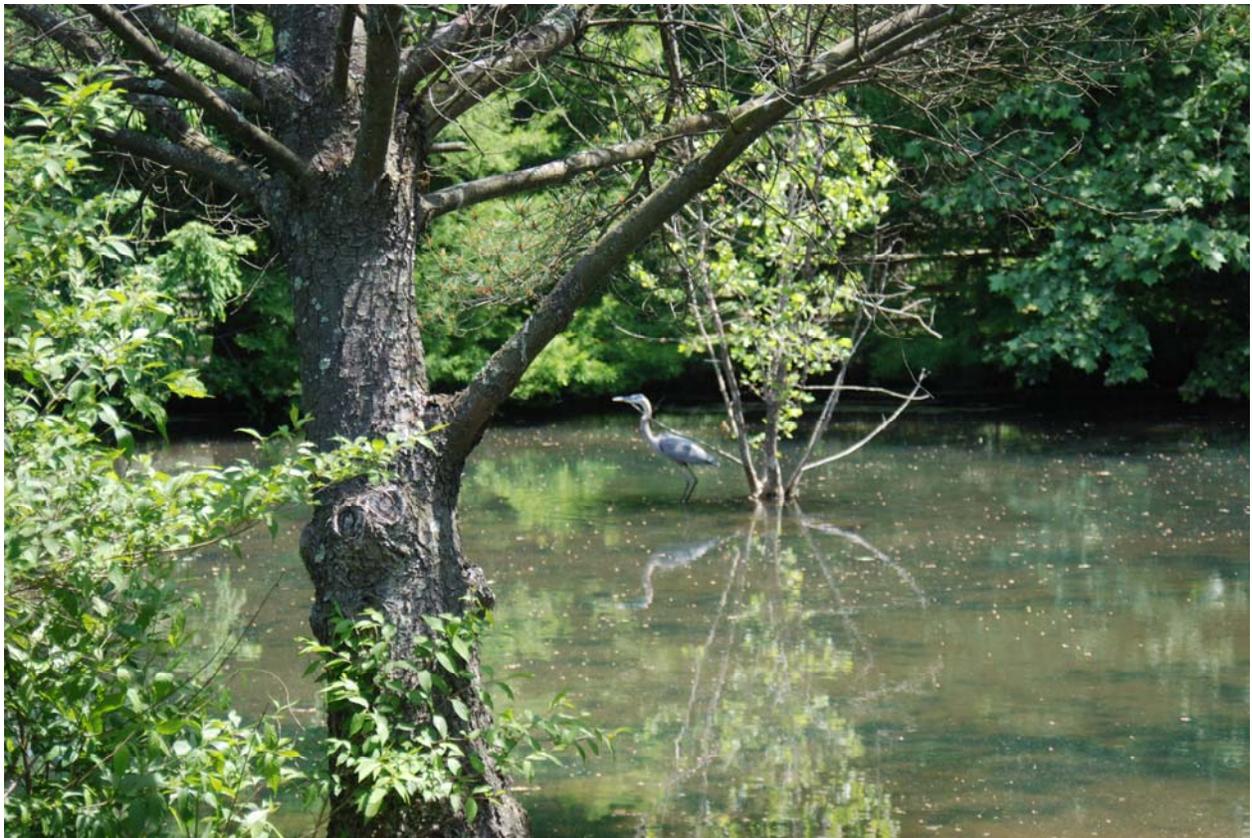




Protecting Land Forever

ANNUAL REPORT FISCAL YEAR 2016

JULY 1, 2015 - JUNE 30, 2016



FY2016

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EXECUTIVE SUMMARY

The Maryland Environmental Trust 2016 Annual Report is prepared and submitted to the Governor and General Assembly of Maryland, pursuant to the requirements of the Natural Resources Article, §3-203.10.

Maryland Environmental Trust (MET) was established by the Maryland General Assembly in 1967 as a charitable organization with state support and funding, and with an independent Board of Trustees. In 1969, MET was assigned to the Department of Natural Resources for organizational purposes.

For almost five decades MET has worked with the citizens of Maryland and partner organizations to foster the appreciation and conservation of scenic open space, natural areas, and working farmlands across the state. With one of the largest portfolios of preservation and conservation easements in the nation, MET is a leader in its field. MET is responsible for perpetually stewarding these properties, some of Maryland's most iconic and culturally significant landscapes and properties.

Our Mission:

Maryland Environmental Trust works with landowners, local communities, and citizen land trusts to protect Maryland's most treasured landscapes and natural resources as a legacy for future generations. We accomplish this work by providing direct assistance, information and innovative tools to ensure the ongoing stewardship and public concern for the natural, historic, and scenic resources of the state.

As one of the oldest and most successful land trusts in the country, The Maryland Environmental Trust holds over 1,080 conservation easements preserving over 130,000 acres statewide. This represents almost 10% of the states total inventory of protected lands.

From the Chesapeake Bay to the mountains of Garrett County, our Land Conservation, Monitoring and Stewardship, and Land Trust Assistance Programs promote the protection of open land.

MET's Creation

In 1967 MET (then referred to as "the Trust") was established "to conserve, improve, stimulate, and perpetuate the aesthetic, natural, health and welfare, scenic, and cultural qualities of the environment, including, but not limited to land, water, air, wildlife, scenic qualities, open spaces, buildings or any interest therein, and other appurtenances pertaining in any way to the state. Through educational and other means, the Trust shall encourage and motivate the populace of the state and others to do so and shall promote continuing interest in and the study of these matters. The purpose of the Trust is of general benefit to the citizens of the state, and it is charitable in nature."

In 1969, MET was transferred to the Department of Natural Resources. MET's establishment, powers, and responsibilities are codified in Natural Resources Article § 3-201. Therefore it has characteristics both of a unit of the Department of Natural Resources and an independent land conservation organization, and serves as the only statewide land trust. The statute clarifies MET's duties and directs it to:

- (1) Receive annual appropriations;**
- (2) Sponsor research and education programs pertaining to scenic or cultural qualities of the state, including the provision of financial grants to public and private agencies assisting MET;**
- (3) Acquire and hold real and personal property of scenic or cultural importance to conserve it;**
- (4) Accept gifts, and apply their value to the general purposes of the Trust;**

(6) Assist other units of the state and public or federal agencies and foundations in furtherance of MET's mission; and

(7) Report annually to the Governor and to the General Assembly on MET's activities during the preceding year and provide recommendations or requests to further the purposes of MET.

While MET holds fee title in several properties, the vast majority of its property interests are in the form of conservation easements donated by landowners (and, in some cases, purchased using various sources of funding). Generally speaking, a conservation easement may be defined as a legally binding, recorded agreement between a landowner and MET which serves to restrict future development activities on the land and thereby to protect it.

Keep Maryland Beautiful

The functions and activities of the Governor's Committee to Keep Maryland Beautiful (KMB) were transferred to MET in 1967. MET has awarded KMB grants annually and further developed the program to include the Bill James Environmental Grants and the Margaret Rosch Jones Awards in 1986 for projects that focus on environmental education. The funding for these awards has been made possible through the support of MET and State Highway Administration.

Governance

MET is governed by a 15-member Board of Trustees. The Governor, the President of the Senate, and the Speaker of the House of Delegates, or their designees, are ex officio members of the Board. The remaining 12 trustees are elected by the Board for a term of four years. In addition, the Board can appoint

up to 12 area representatives to assist in carrying out the powers and duties of MET.

Staffing

In addition to the Director, who is selected by and reports to the Board, the staff includes a Conservation Easement Program Manager, a Stewardship Program Manager, a Land Trust Assistance Coordinator, a Volunteer Coordinator, two regional Natural Resources Planners, an office manager and additional support staff including seasonal and long term contractual employees and consultants. MET also relies on a growing corps of trained volunteers to assist with the regular monitoring of 1,080 easement properties held by the organization. At the conclusion of FY 2016, MET staffing was approximately 12 positions including full-time, part-time, and temporary staff.



MET Staff

How We Work:

Building on our long track record of success, MET plays a unique role in Maryland focused on activating the private sector in support of Maryland's conservation priorities. We focus on four broad strategies to accomplish this work:

- (1) Working directly with landowners, land trusts, and communities to permanently set aside land with critical conservation values, mainly**

through the acceptance of conservation easements. We proactively plan and identify areas of the state where land protection supports the state's goal for restoring and enhancing the Chesapeake Bay, sustaining local economies and lifestyles, and building local conservation practices;

- (2) Mobilizing resources – people, funding, and technology – in service of long term land stewardship. With over 130,000 acres under conservation easement, MET is focused on strengthening local capacity to ensure our conservation estate is cared for in perpetuity;**
- (3) Provide training, resources, expertise, and leadership to build a strong statewide land trust community that invests local communities and people in our conservation movement; and**
- (4) Expanding the constituency for natural resource conservation through grant-making to our many partners in education (schools, nonprofits, environmental educators, etc.) and partners in stewardship. These represent organizations and individuals on the front lines, in their communities, developing innovative strategies and programs to engage people in our work, from the urban to the rural. Our Keep Maryland Beautiful (KMB) grants program is our most visible example of this work.**

In each of these focus areas, partnerships with other local, state, and federal government agencies, local and regional land trusts, nonprofit organizations, and the private sector are critical to the ongoing success of MET.

Funding

As Maryland's only statewide land trust, MET partners with private landowners, nonprofits, local communities and the public to ensure that all of Maryland's treasured places are sustained for future generations. Your generous support is an essential part of our work.

In fiscal year 2016, \$844,294 of state funds was appropriated to MET. This included \$616,393 in general funds and \$227,901 in reimbursable funds (State Highways Administration, Coastal Zone Management, and Program Open Space [POS] administrative fees through the Department of Natural Resources). In addition, MET received private donations from foundations and individual donors totaling \$67,080. The summary of MET's Financial Statement of Activities for Fiscal Year 2016 is included in the Appendices of this report.

Conservation Easements and Their Stewardship

Conservation easements - their negotiation, acquisition, recordation, and stewardship - is a central part of MET's work. Easements that are donated by private landowners are the primary mechanism by which MET works to accomplish its mission of preserving open space throughout the state of Maryland. These landowner stewards play a major part in ensuring the long term health of Maryland's natural, historic, economic, and cultural resources.

MET currently holds more than 1,080 conservation easements, covering over 133,000 acres. Conservation easements are crafted to ensure that important scenic open space, including targeted ecological areas, wildlife habitat, working farms, forests and heritage areas – are maintained forever. They are an important component of the

State's broader public policy goals of ensuring the health and well-being of all Maryland citizens and the lands and waters we depend on, including the Chesapeake Bay. The importance of the Maryland State Income Tax Credit Program (a valuable incentive for land conservation) and the charitable contribution deduction for donation of perpetual conservation easements allowable under the federal Internal Revenue Service Code are key contributors to fostering gifts of conservation easements to MET and other land trusts. They help to allow for a cost effective approach to land conservation by supporting private citizen stewards across the State.

Conveyance and Perpetual Stewardship of a Conservation Easement

MET staff members work with landowners and community based land trusts to assist and guide them through the process of conveying a conservation easement.

The stewardship process - critical to the integrity of any easement program - consists of a range of activities essential to protecting land on which easements are donated in perpetuity. Key components of the MET 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 amendment to deed of easement); documentation and records management (to ensure, for instance, accurate details of ownership, boundaries, and structures for easements held); regular site visits to property 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.



Hedgeapple Farm in Frederick County, a MET conservation eased farm, is recognized for its conservation grazing practices.

Every year, MET seeks ways to strengthen and enhance our stewardship partners and networks. In furtherance of this goal, we have begun developing potential new funding sources to support private landowners seeking to provide Best Management Practices on this land.

Moving forward, we will continue efforts to ensure MET remains a durable and effective organization by strengthening our practices around the legal and financial requirements for long term stewardship.

Conservation Easements Acquisition and Stewardship: Notable Accomplishments

Fiscal year 2016 was another successful year for MET in advancing its mission of acquiring, recording, and stewarding conservation easements: 808 acres were protected on six easements, and MET and its cooperators together conducted monitoring visits to 286 easement and fee properties.

Other notable highlights:

- Hired Director William H. Leahy II, as well as a Volunteer Coordinator, Office Manager, and a Stewardship Coordinator.
- Conducted two annual fundraising appeals to over 2,000 constituents.

- Accepted six conservation easements protecting 808 acres of environmental, scenic, historic, or cultural significance across the state.
- Held a successful conference at the Maritime Institute attended by 121.
- Hosted a Summit for 126 with Partners for Open Space and Town Creek Foundation in Quiet Waters Park, Annapolis.
- Awarded \$27,000 in Janice Hollmann Grants to eight local land trusts to strengthen their conservation, outreach and stewardship programs.
- Distributed \$9,600 in *Keep Maryland Beautiful* grants to community, volunteer, youth and environmental groups.
- Wrote and distributed two issues of LandMarks newsletters to over 2,000 constituents.
- Launched outreach campaign to prospective board members in preparation for implementation of requirements of Senate Bill 4.
- Completed comprehensive strategic planning process involving Board, staff and external stakeholders to develop updated priorities and focus areas that will help position MET for success in the future.



MET BOT and staff participate in a strategic planning retreat at the Chesapeake Bay Program Conference Center on Spa Creek in Eastport Annapolis.

Accreditation

The land trust movement in the United States has grown rapidly over the years and has become more professional, thanks in large part to the Land Trust Alliance. The Alliance has promulgated *Land Trust Standards and Practices* and provided funding to MET and other land trusts in Maryland to advance these practices and support strategic planning. The Alliance has also sponsored the Land Trust Alliance Commission, an independent program of the Alliance to verify a land trust's ability “to operate in an ethical, legal and technically sound manner and ensure the long-term protection of land in the public interest.”

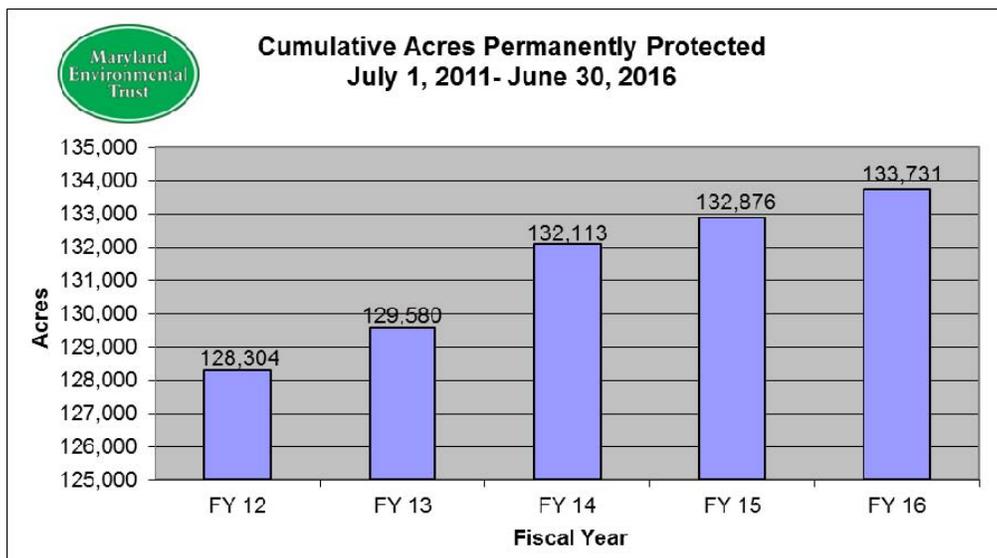
MET began preparations for the Alliance accreditation and has completed an *Accreditation Work Plan*, which was completed in 2014. An *Accreditation Working Group* of Board and staff has been formed and is supporting the process of seeking eventual national accreditation of MET.

Conclusion

2016 marked a year of transition for MET as we welcomed three staff, including a new

Director, completed a major organizational strategic planning process that culminated with a Board retreat in the spring, and began piloting new initiatives designed to address MET’s long term goals for strengthening private land conservation in the future. Under the leadership of our new Director, MET is pursuing a new four pronged plan aimed at building on our past with determined focus on closing the land stewardship gap across the State, strengthening local land trusts through greater regional cooperation, focus on priority landscapes, mobilizing needed resources for land stewardship, and broadening constituencies for land conservation through our grant-making, and other forms of support, highlighting some of the most innovative community conservation partnerships in Maryland, especially in more urban areas.

Ever mindful of the outstanding contributions of its many donors, partners and volunteers, MET expresses sincere appreciation to all who have so generously given of their time, talents, and resources to foster open space land conservation throughout Maryland.



CONSERVATION EASEMENT PROGRAM

OVERVIEW

In the 2016 fiscal year MET had three Regional Conservation Easement Planners soliciting, negotiating and completing conservation easements. This year MET protected a total of 808 acres on six properties statewide.

WESTERN-CENTRAL REGION (Allegany, Baltimore, Carroll, Garrett, Frederick, Harford, Washington Counties and Baltimore City)

MET recorded one amended and restated easement in Baltimore County during FY 2016. James and Katherine McClean Constable initiated the amendment process for their easement property in order to eliminate a development right and require common ownership of the entire 55 acre property. The amendment also caps the size of the accessory residence, adds a requirement for a Forest Stewardship Plan to protect Forest Interior Dwelling Bird Species, and adds The Manor Conservancy as a co-holder. The easement was also updated into the newest model easement.

Many other projects were initiated and are expected to close in the coming year. There is a significant pipeline of pending easement projects in the Western-Central Region and MET is anticipating more robust protected acreage totals in FY 2017.



Baltimore County amended and restated easement.

SOUTHERN REGION (Anne Arundel, Calvert, Charles, Howard, Montgomery, Prince George's, and St. Mary's Counties)

One easement project was completed in the Southern Region during FY 2016, protecting a 73 acre woodland tract near Fort Washington in Prince George's County. The Conservancy of Broad Creek, Inc., a nonprofit land trust that owns the property, donated the easement to MET.

The Conservancy of Broad Creek was created to assist in the preservation of the Broad Creek area's history and ecology. The property, known as the Broad Creek Woods, is located within the county's Broad Creek Historic District, which was recently designated a National Register Historic Site for containing notable examples of southern Maryland's cultural heritage. The easement is located directly across Livingston Road from the St. John's Episcopal Church, one of the oldest Anglican parishes in Maryland, and just north along Livingston Road from historic Harmony Hall, the eighteenth century mansion on 60 acres owned by the National Park Service. The easement contributes toward permanently

maintaining the scenic and historic character of the district. The property contains extensive frontage along both Livingston Road and Indian Head Highway, and its now protected woodland offers scenic views for travelers along these public thoroughfares. The acreage is also located along the proposed public trail corridor known as the Potomac Heritage National Scenic Trail, which will connect to the nearby historic sites and to the county-owned Henson Creek Stream Valley Park multi-use trail.



A 73 acre conservation easement in Prince George's County.

EASTERN REGION (Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester Counties)

A total of 736 acres were permanently protected in the eastern region in FY2016. Of the five properties protected, two are in Kent County, one is located in Somerset County, one in Worcester County, and one in Wicomico County. Three of the easements are co-held with land trust partners. A total of 297 acres of prime farmland, as defined by the U.S. Department of Agriculture, 258 acres of forest, 618 acres of Targeted Ecological Area, two miles of scenic shoreline along navigable

waterways and 3.8 miles of scenic open space along roadways were protected through easements in the eastern region.



Howard farmland in Somerset County.

In Somerset County, Frederick Howard donated the easement on his 30 acres of important farmland in Westover. The site is adjacent to other protected lands and provides sweeping views of the farmland along Revell's Neck Road. The property, which has prime farmland soils, is an integral part of the agricultural setting of the area connecting other protected farms.



Cows in the pasture of St. Brigid's Farm, a MET conserved farm in Kent County.

The pastures of St. Brigid's Farm, owned and operated by Bob Fry and Judy Gifford, will always be protected through their conservation easement gift.

Located in an area of Kent County where agriculture is vital to the county, the farm has been a source of grass-finished beef and dairy products for Kent County. The property also provides sweeping pastoral views from Locust Grove Road, and is part of a larger conservation area that includes several thousand acres in the vicinity. This 62 acre conservation easement is co-held with the Eastern Shore Land Conservancy, Inc.

Jim North along with sister and brother-in-law Rita and Ron Akins protected their family property along Church Creek in Kent County. This 23 acre forested property provides views of wooded slopes to those on Churn Creek while the forest provides habitat and water quality benefits. The property is part of a larger conservation area which includes several thousand acres of protected lands in the immediate vicinity of the property. This conservation easement is co-held with Eastern Shore Land Conservancy, Inc.

Donald C. Graham protected his 446 acres in Wicomico County with a conservation easement. This agricultural and woodland tract is located along the Wetipquin Creek near Quantico. The property contains significant natural resources including close to 200 acres of woodlands, portions of the Wetipquin Creek and two of its tributaries, Deep Branch and Horner Gut, and 58 acres of wetlands. Approximately 180 acres of the property is in active agricultural use. The property also contains the historic and architecturally significant house known as “Long Hill” that dates from the mid-18th century. Long Hill derives its historical significance from its long association with the Dashiell family,

several of whom took an active role in the affairs of colonial Maryland. Mr. Graham is a descendant of the Dashiells, and he acquired the property because of its historical significance for his family. Long Hill was listed on the National Register of Historic Places in 1974. The easement contains provisions that preserve the exterior facades of Long Hill, and require the landowner to allow members of the public to view the exterior of Long Hill during specified times each year.

In Worcester County a donor who wishes to remain anonymous donated an easement on 173 acres near Snow Hill. The property consists of approximately 124 acres of agricultural land and 40 acres of forest. Located in a rural area of Worcester County, an area dominated by farmland and forest lands along the Atlantic Coastal Bays, this property is adjacent to over 4,550 acres of protected farmland and forestland. The property has significant scenic frontage along four roads.

Moving forward into FY 2017, the MET Easement Program is working on a significant number of conservation projects and anticipates reaching its annual goal of 1,000 acres protected by easements statewide. In addition, the Easement Program is working on new strategic initiatives to identify high priority landscapes for conservation, expand MET's conservation toolbox, and strengthening partnerships with local land trusts.

STEWARDSHIP PROGRAM

In FY2016 MET and its cooperators together conducted monitoring visits to 286 easement and fee properties which represents 27% of the Trust's easement portfolio. Monitoring visits are conducted in order to document current conditions and assess compliance with easement requirements. This was a 34% decrease over FY2015 monitoring accomplishments, caused by factors including staff turnover and losses in funding for stewardship and monitoring activities experienced by both MET and local land trust partners. As part of its Land Trust Assistance Program, MET staff assists land trusts with the training of volunteers, the inspection of co-held easement properties, enforcing easement terms, and the implementation of recordkeeping and documentation protocols. This year, MET staff assisted land trusts with the monitoring of 18 properties which was a 74% decrease over FY2015 accomplishments, attributable to the loss of funding for the second seasonal position, the same position which when added last year resulted in a 92% increase over the previous year. Local land trusts reported an additional 101 properties monitored on their own, which staff recognizes is an undercount of actual

accomplishments. MET co-holds more than half (592) of its easement portfolio with local land trusts, of which approximately a dozen are actively monitoring, and who collectively are responsible for approximately half of the co-held easements.

In addition to performing monitoring visits, staff reviewed and processed 145 reports submitted by local land trusts (including for prior years) and volunteers for completeness and accuracy, reviewed over 1,000 photographs, entered each report into the MET database, and copied reports and photographs into paper and digital folios. This was accomplished by one full-time contractual and one seasonal employee, who were also managing 35 volunteers and monitoring 181 easements, respectively.

Looking forward MET's Stewardship Program seeks to increase efficiency and lighten its monitoring and stewardship load by developing and implementing new technologies, sharing them and other knowledge with local land trust partners, engaging in regional volunteer recruitment and training initiatives with local land trusts, colleges and universities, and converting contractual staff to permanent positions.



VOLUNTEER PROGRAM

The Volunteer Program continues as a valued component of the Stewardship Program, supported entirely by donated funds. As Land Stewards representing MET, volunteers meet landowners, share stewardship ideas, and document changes to help preserve the conservation values that make these lands special.

In a transition year, 35 MET volunteers worked on 181 easement field files representing 20,110 acres. 151 volunteer field monitoring reports were reviewed and filed, and volunteers submitted an additional 40 reports. Between work in the field and MET office, volunteers contributed more than 450 hours of service valued at \$10,350. Their generous donations of time and talent to MET are true gifts to our air, land, and water quality - and to the people of Maryland. In the coming year, the Volunteer Program will focus on increasing the number of trained, active volunteers. By recruiting and assigning more volunteers to more nearby land stewardship opportunities - and piloting new monitoring software - MET can grow the efficiency and effectiveness of its monitoring and land conservation responsibilities.



Volunteers in action.

2016 Volunteers

Ronnie Adams
Shannon Allen
Derek Baumgardner
Jason Boothe
Andrew Brignole
Ken Brown
Ann Burchard
Christine Cadigan
Susan Cohen
Owen Curran
Carrie Dike
Jeffrey Dillon
Sharon Dillon
Sondra Dorsey
Steve Dorsey
Christine Dzingala
Kevin Gautrey
Vivienne Gautrey
David Godfrey
Joe Hasuly
David Hobson
David Kieffer
Nancy Kieffer
Toby Lloyd
Brittany McBride
Cassandra Melton
Andrew Mowbray
Werner Schumann
Elizabeth Schumann
Kevin Smith
Stuart Stainman
Melissa Tully
Charles Wells
Lynn Wilkinson
Joseph Yates

LAND TRUST ASSISTANCE PROGRAM

MET serves as the statewide land trust. Local land trusts of which there are over fifty in Maryland, work with and are assisted by MET. The Land Trust Assistance Program supports the work of these land trusts. The Land Trust Assistance Program helps build and sustain the quality and effectiveness of the state's land trusts, and encourages participation in a number of national programs, such as the Alliance's *Land Trust Standards and Practices* and the Land Trust Accreditation Commission.

Local land trusts are not-for-profit corporations designed to protect land within their geographical area from development, using conservation easements, gifts or purchases of land, limited development, conservation buyers, or promotion of existing local, state, or federal easement programs. These land conservation organizations range from small groups operated solely by volunteers to large land trusts with multiple professional staff. A directory of Maryland land trusts can be found on the MET website.

The Land Trust Assistance Program provides land trusts with:

- Technical Assistance - information and training, including webinars and the annual Maryland Land Conservation Conference
- Financial support - through the Land Trust Grant Fund, the Janice Hollmann Grant and the Aileen Hughes Award

- Targeting of Conservation Easements - information on state land conservation priorities
- Organizational support - to ensure adoption of Land Trust Standards and Practices
- Conservation Easements and Land Conservation - taking a lead in drafting new easements and easement amendments
- Cooperative Agreements – to strengthen collaboration and foster innovative approaches to conservation

MET adopted a new model Cooperative Agreement in 2010. This agreement establishes roles for MET and land trust partners and outlines principles in land conservation. A signed cooperative agreement is required for land trusts to receive MET grants and potential state tax benefits for owners of properties with easements.

In FY2016, MET signed cooperative agreements with the following local and regional land trusts:

Baltimore Green Space
Burkittsville Preservation Association
Carroll County Land Trust
Conservancy for Charles County
Eastern Shore Land Conservancy
Lower Shore Land Trust
Scenic Rivers Land Trust
Southern Calvert Land Trust

Over the next five years, MET will evaluate the status, re-define success for the collective, and launch a 21st century land trust assistance initiative to focus on strengthening local land trusts and regional partnerships in support of statewide priorities.

MARYLAND LAND CONSERVATION CONFERENCE & SUMMIT

MET hosted the 2016 annual Maryland Land Conservation Conference on May 5 and co-hosted with Partners for Open Space and Town Creek Foundation, the first Land Conservation Summit on May 6. More than 150 people from over 80 organizations from across the Chesapeake Bay region were represented at the conference and summit. The annual land conservation conference is the only statewide event of its kind in Maryland and provides an opportunity to unite land trusts, conservancies, governmental organizations and other partners who support land protection.

Day one featured educational workshops, peer-to-peer networking and an evening reception at the Conference Center at the Maritime Institute. Mark J. Belton, Secretary of the Maryland Department of Natural Resources provided the keynote address. The conference also offered a variety of tracks including nuts and bolts of organization development, innovative partner projects, emerging and hot topics in the conservation community and the latest stewardship innovations.



Mark J. Belton, Secretary of the Maryland Department of Natural Resources delivers the keynote address at the 2016 Maryland Land Conservation Conference.

The Summit, held at Quiet Waters Park in Annapolis, featured a meeting opportunity for both conservation practitioners and others engaged in creating a healthy and sustainable Maryland. The purpose of the Summit was to start exploring new ideas, reveal new partnership opportunities, and strengthen collective efforts to create a prosperous future for all of Maryland. This meeting served as a starting point for a conversation that Partners for Open Space and MET will be continuing in the months and years ahead as we seek to strengthen land conservation and connect its benefits to more people.

Conference partners and sponsors included: *Appalachian Trail Conservancy; Brown Advisory; Chesapeake Conservancy; Civil War Trust; The Conservation Fund; Land Trust Alliance; Maryland Department of Natural Resources; Maryland Historical Trust; The Nature Conservancy; O'Donoghue & O'Donoghue LLP; Partners for Open Space; S. H. Muller & Associates, LLC; Town Creek Foundation, The Trust for Public Land; and Wright, Constable & Skeen, LLP.*



2016 Land Conservation Summit speakers and panelists: Dale Green (Morgan State University), Aleya Fraser (Chesapeake Alliance for Sustainable Agriculture), Colby Ferguson (Maryland Farm Bureau), Ann Jones (Partners for Open Space), Miriam Avins (Baltimore Green Space), Dr. Maria Brown (John Hopkins School of Medicine), Bill Leahy (MET).

GRANTS AND AWARDS

DILLON AWARD

Alverta and Louise Dillon, sisters and retired school teachers, donated a perpetual conservation easement and bequeathed their entire Garrett County property to MET in 1984.

Alverta and Louise were dedicated naturalists and were enthusiastic about conservation and enhancement of the many resources found on their land. Their generous bequest is maintained as an endowment to support the activities and mission of MET, in accordance with the terms of the gifts. The Dillon Award is made annually by MET to a landowner(s) who exhibits outstanding conservation and/or environmental efforts.

Donald C. Graham was selected to receive the 2016 Dillon Award for his easement donation to MET conserving “Long Hill,” his 446-acre property of considerable natural and historic significance in Wicomico County (see page 10 of this report). Completed in December of 2015, this project demonstrated an exceptional commitment on the part of Mr. Graham to conserve one of the state’s treasures on behalf of the citizens of Maryland.

AILEEN HUGHES AWARD

MET presents the Aileen Hughes Award annually to honor the late Aileen Hughes, a true leader in the conservation movement. Aileen was a supporter of women’s and civil rights, as well as the protection of our state’s natural and cultural resources. Aileen Hughes was the president of the American Chestnut Land Trust for many years.

The Aileen Hughes Award is given to recipients for their leadership roles in the land trust community. The award is given to

an individual representing a Maryland land trust for leadership, partnership and innovation in a conservation project. The award is presented as a cash sum to the organization represented by the individual and is funded by non-state funds from MET.

This year the recipient of the Aileen Hughes Award was Megan D’Arcy. Megan, who is Stewardship Manager of Eastern Shore Land Conservancy (ESLC), demonstrated outstanding leadership and creative thinking in her field. Megan’s extraordinary work includes: building upon ESLC’s robust land and easement stewardship program; fostering superior landowner relations through improved communications and recognition efforts; playing a significant role in ESLC’s current effort to obtain land trust accreditation renewal; developing a successful Volunteer Land Stewards program that has trained 44 volunteers to assist with annual monitoring of all ESLC protected lands; and integrating new and innovative technologies into ESLC’s stewardship program.



MET Board of Trustees Vice Chair Hon. S. Jay Plager presents the 2016 Aileen Hughes Award recipient to Megan D’Arcy, Stewardship Manager at Eastern Shore Land Conservancy.

KEEP MARYLAND BEAUTIFUL

The Keep Maryland Beautiful (KMB) program was the first program administered by MET. This program is funded by the State Highways Administration and MET, and provides two sets of grants and awards to non-profit organizations and schools to support environmental education and demonstration projects that enhance and maintain the environment.

The Margaret Rosch Jones Award of up to \$2,000 is awarded to one or more non-profit groups or communities for an ongoing project or activity that has demonstrated success in solving an environmental issue, whether local or statewide. This award recognizes those organizations that have been actively educating people in their community about litter prevention, community beautification, or eliminating or reducing the causes of a local environmental problem.

This year the recipients of the Margaret Rosch Jones Award are:

Organization	Amount
AA County Master Gardeners Beekeeping Project, Fiscal Mgr MD 4-H Foundation, Inc.	\$1,000
The Glen Echo Park Partnership for Arts & Culture Inc.	\$1,000
Lake Roland Nature Council (LRNC)	\$800
Midshore Riverkeeper Conservancy	\$1,000
Pigtown Main Street	\$1,000
St. Luke's Episcopal Church	\$500
Youghiogheny River Watershed Association (YRWA)	\$500
Total	\$5,800

The Bill James Environmental Grant of up to \$1,000 is awarded to school groups, science and ecology clubs, and other nonprofit youth groups for proposed environmental education projects.

This year the Bill James Grants were awarded to:

Organization	Amount
Captain Walter Francis Duke Elementary School (St. Mary's County Public Schools)	\$800
Maryland Historical Society	\$1,000
Mountain Laurel Garden Club	\$500
Queen Anne's County High School (AP Science Class)	\$500
Ward Museum of Wildfowl Art	\$500
Watson Hall Montessori School	\$500
Total	\$3,800



KMB recipient Pigtown Main Street organized volunteers at the Bloom the Boulevard event to collect litter, spread mulch, plant flowers and prune tree limbs.



JANICE HOLLMANN GRANT PROGRAM

The Janice Hollmann Grant Program is part of the Land Trust Assistance Program provided by MET to support land trusts throughout Maryland. The grants are named for a woman who exemplified citizen leadership of local land trusts in Maryland. Janice Hollmann co-founded the Severn River Land Trust and the Arundel Conservation Trust, and served on the Severn River Commission. She was named the Izaak Walton League’s Conservationist of the Year in 1989 and the Capital newspaper’s Person of the Year for 1990. Janice died in April 1990. MET’s tribute to Janice Hollman is this annual grant made in her honor for those local land trusts continuing in her footsteps.

These grants are generally targeted towards land trusts that demonstrate easement solicitation skills and that operate in regions of significant land conservation potential. The purpose of the Janice Hollmann program is to build the capabilities of the local organizations through small matching grants, with a particular focus on start-up assistance for new land trusts and fostering collaborations among neighboring organizations.

The Hollmann grant program supported eight organizations. The grants helped fund a variety of eligible costs, including staff positions, technical consulting services, landowner outreach programs, office supplies, stewardship programs, insurance and volunteer trainings. Funding for the Janice Hollmann Grants is provided by the SHA.



2016 Janice Hollmann Grant recipients and presenters: Michelle Grafton (MET), Bill Leahy (MET), Deborah Bowers (Carroll County Land Trust), Hal Delaplaine (Conservancy for Charles Co.), Rachel Toker (Urban Ecosystem Restoration), Megan D’Arcy (Eastern Shore Land Conservancy), Kate Patton (Lower Shore L.T.), Barbara Hopkins (NeighborSpace of Baltimore Co.), Frank Allen (Patuxent Tidewater L.T.) and Sandy Hertz (SHA).

Recipients of the Janice Hollmann Grants

Organization	Amount
Burkittsville Preservation Association	\$1,000
Carroll County Land Trust	\$3,000
Conservancy for Charles County	\$4,000
Eastern Shore Land Conservancy	\$5,000
Lower Shore Land Trust	\$5,000
NeighborSpace Baltimore County	\$3,000
Patuxent Tidewater Land Trust	\$3,000
Urban Ecosystem Restoration	\$3,000
Total	\$27,000

THE STEWARDSHIP AWARD

The Stewardship Award is given by MET's Board of Trustees to an individual who best demonstrates active stewardship of conserved land by using best management practices and exceptional care and enhancement of a property that is protected by an easement held by MET.

The 2016 award was given to Rick and Kathy Abend, owners of a conservation easement in Dorchester County. Rick Abend donated a easement on 91 acres of his Dorchester County property to MET and the Eastern Shore Land Conservancy in 1992. The easement protects agricultural and forest land on the farm, and ensures the right to manage the timber resources in perpetuity in accordance with Best Management Practices. For the past 25 years, the Abend Hafen Farm has been the centerpiece of education efforts to show the public how forest resources can be sustainably managed while providing prime waterfowl and upland wildlife habitat, conserving clean water, and providing an array of recreational opportunities. The farm has been part of the American Tree Farm System since 1989.



Stewardship Award winners Rick and Kathy Abend of Dorchester County.

LAND TRUST GRANT FUND

The Land Trust Grant Fund was created by the Maryland Legislature in 1990 with a primary purpose to provide interest-free loans to help local land trusts purchase conservation lands and easements.

Administration of the Fund was assigned by statute to the Maryland Environmental Trust. (§ 3-2A-02 (c)). Over the years MET has managed the fund so as to aid various land conservation projects throughout the state. These projects permanently protected 2,000 acres (as of June 30, 2011) through purchased and donated easements to MET and the Maryland Agricultural Land Preservation Foundation (MALPF).

The loans made through the Fund have been highly leveraged. The Fund provides on average only one fifth of the project purchase price, the balance coming from local community and other private fund sources. In total, \$2.7 million dollars have been loaned from the Fund to land trusts, with an additional \$9.4 million coming from conservation partners. For the reasons explained below, no expenditures or reimbursements were made during FY11 through FY16; all outstanding loans had been repaid prior to the start of this fiscal year.

Administration of the Land Trust Grant Fund

The original monies for the Fund came to MET by General Assembly appropriations in the early 1990's through Program Open Space (POS) funding. The Fund is part of MET's annual budget (Object 14, Item 33). The basic Fund is held in the Fund's Reserve Account, and is a no-year budget item; appropriations for new projects are

Active Account. The Fund Reserve Account is interest bearing, the Active Account is not. Repayments are initially made to the Active Account. The Fund is flexible in that monies, such as repayments, can be transferred at the end of the fiscal year from the Active to the Reserve Account, and thus do not lapse.

Loans are given out and repaid in accordance with Land Trust Grant Fund Agreements that are completed for each project. The statute provides that loans can be made to a Maryland land trust for preservation and protection of open space and natural areas. The statute further provides that MET may make the grants reimbursable to the Fund, and may require the dedication of a conservation easement on the property. (Md. Code. Ann., Nat. Res. §3-2A-01.)

As of FY 2009 the Fund had a balance of \$1,500,000 in the Reserve Account, and approximately \$253,000 in the Active Account. However, the Budget Reconciliation and Financing Act of 2010 (SB 141/ HB 151) provided that, on or before June 30, 2010, the Governor may transfer to the General Fund \$1,500,000 of the funds in the Land Trust Grant Fund established under Section 3-2A-02 of the Natural Resources Article. That was done - \$1.5 million dollars of the Fund was diverted to the state budget, leaving a balance of less than \$5,846 to assist land trusts.

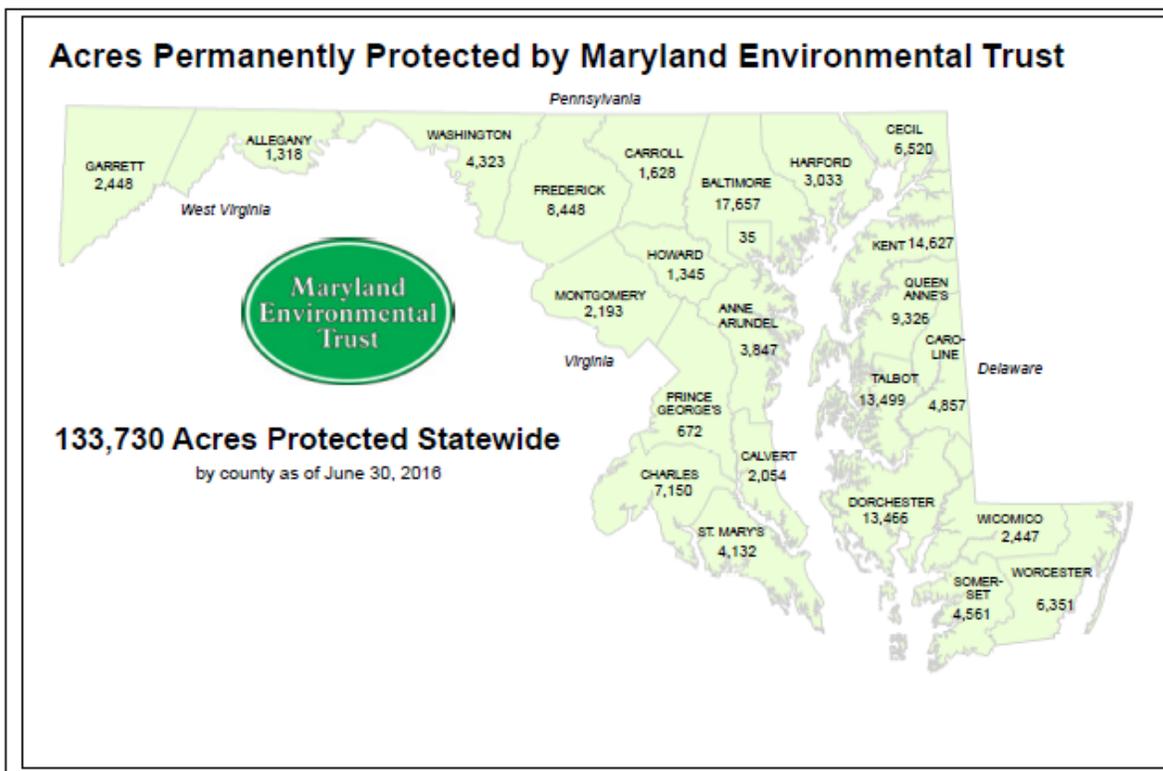
Recommendations

MET's ability to assist its partners and provide a rapid response to protect significant open space and natural resources has been drastically diminished; as of June 30, 2016, the Fund had a balance of \$5,846 available. Furthermore that balance is rapidly diminishing without any replenishment, since a portion of the remaining fund balance had been, but is no longer allocated to MET annually through the state budgeting process, to support costs of monitoring and other related administration costs.

The MET Board feels strongly that the Fund should be replenished so that it may continue to serve as a critical source of financing to land trusts in their efforts to protect open space. The Fund has worked effectively as a rapid response land preservation tool. In the past the Fund was available for grants and loans to land trusts

at no interest for use when valuable resource lands are threatened by development. No other state program is that flexible and available at such short notice. The readjustment of land prices may spur demand for loan funds as public/private partnerships emerge to address local land use issues with voluntary conservation measures. The accrual of interest earned to the General Fund of the state further diminishes future funding for land conservation projects.

The Board of Trustees of MET recommends that the Fund be restored to its original levels and maintained and increased as soon as fiscally possible, and that the Governor and General Assembly thus support the program's goals, to assist Maryland's land trusts in their efforts to preserve open space and the state's natural areas.



Appendix 1

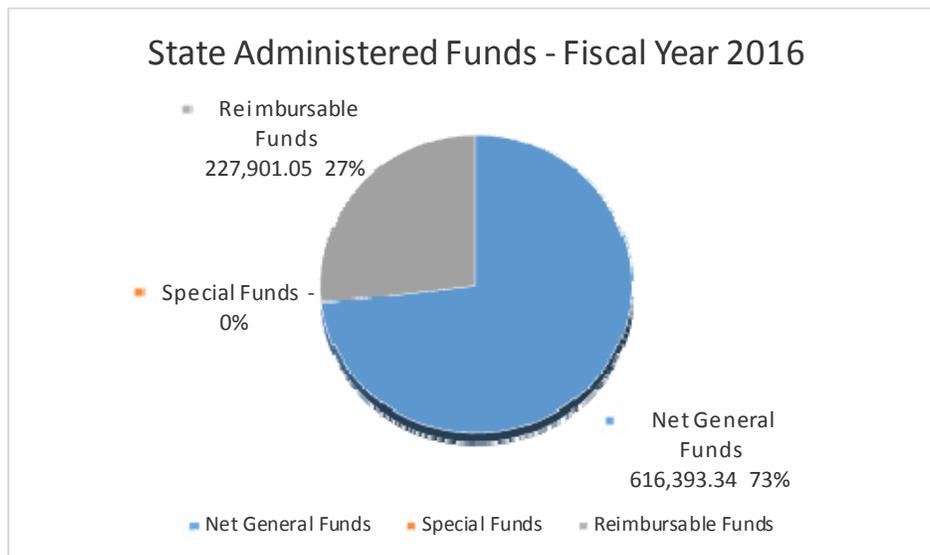
MET Financial Statement - July 1, 2015 - June 30, 2016
State Administered Funds

FISCAL YEAR 2016

Number of Authorized Positions	8
Number of Contractual Positions	2
Salaries, Wages and Fringe Benefits	735,791.02
Total Operating Expenses (including contractual services, communications, travel, equipment, supplies and materials)	108,503.37
Total Expenditure	844,294.39

FUND SOURCES

Net General Funds	616,393.34
Special Funds	0
Reimbursable Funds	227,901.05
TOTAL	\$844,294.39



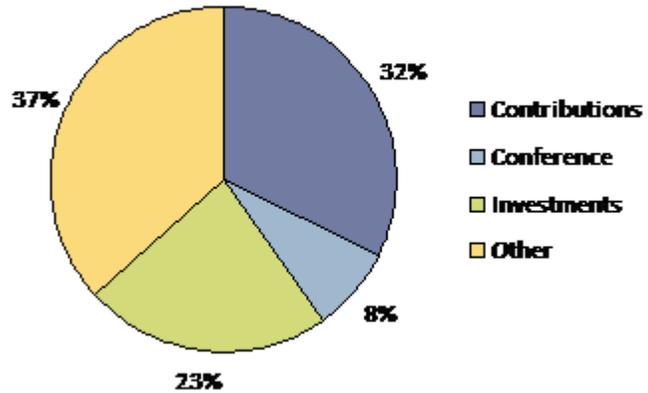
Appendix 2

MET Statement of Financial Activities - July 1, 2015 - June 30, 2016
MET Administered Funds

SUPPORT AND REVENUES

Contributions & Grants	\$	67,080
MLTA Conference		16,590
Investment Income, net		(48,087)
Other Revenues		76,250

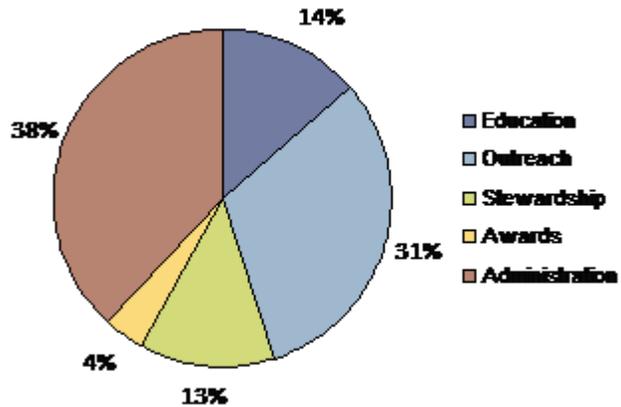
TOTAL REVENUES \$ 111,833



EXPENSES

LLT Education Program	\$	16,138
Outreach Program		37,236
Stewardship Program		15,476
Awards & Grants		4,814
Administrative Expenses		45,149

TOTAL EXPENSES \$ 118,813



CHANGE IN NET ASSETS \$ (6,980)

Appendix 3

CONTRIBUTORS

(July 1, 2015 - June 30, 2016)

Conservation Champion \$10,000+

The estate of Alverta and Louisa Dillon
The estate of Sarah Griggs
The Helena Foundation

Environmental Benefactor \$5,000-\$9,999

Allegheny Highlands Conservancy
CB Funders Network/Hillsdale Fund
Iva Louise Gillet
Land Trust Alliance

Open Space Guardian \$1,000-\$4,999

Appalachian Trail Conservancy, Inc.
Doris Blazek-White and Thacher W. White
Dorsey & Christine Brown
Brown Advisory
Chesapeake Conservancy
The Conservancy of Broad Creek, Inc.
Conservation Fund
Mr. and Mrs. James W. Constable
Wilson Coudon and Nancy Coudon
Louisa C. Duemling
Mr. and Mrs. Joseph Galli
Lorraine B. Healey
Joan & Theodore Hoffman
Bill & Lorien Leahy
Patricia V. Melville
Mr. and Mrs. James R. O'Connell
O'Donoghue & O'Donoghue LLP
Riepe Family Foundation
David B. Tolson
Wright, Constable & Skeen, L.L.P.

Habitat Hero \$500-\$999

Allegheny Highlands Conservancy
Chesapeake Bay Foundation
Civil War Trust
Tim and Julie Hussman
Ms. Harriet Iglehart
Ms. Constance Lieder
Maryland Historical Trust

Nature Conservancy of Maryland/DC
Steven P. Quarles
S. H. Muller & Associates, LLC
The Trust for Public Land
M. Eileen and Harry V. Webster Jr.
Kathryn L. Weise
Sheila J. & Rufus M.G. Williams Charitable
Fund
Mrs. Roslyn D. Young Jr.

Land Supporter \$100-\$499

Chester W. and Paula L. Anderson
Anonymous
John and Marjorie Blodgett
Perry J. Bolton
Nelson Bortz
David A. Bramble Foundation, Inc.
Marney S. Bruce
Franz Burda
Dr. and Mrs. Stephen G. Cameron *in honor
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Dr. Gary P. and Darlene T. Carver
Catoctin Land Trust
Jeffrey E. Christ
Charles Conklin
Diana E. Conway
Nessly and Susan Craig *in memory of John
and Jean Malkmus*
Robert and Julia Deford
Walter Delaplane
Dunkin Real Estate Advisors, LLC
Ms. Georgia L. Eacker *in memory of James
H. Eacker*
Robert James Etgen
Alex G. Fisher
Mrs. Ruann Newcomer George
Dr. Richard Gold and Mr. John Hollyday -
Hollyday Family, LLC
Greater Ruxton Area Foundation
David and Nancy Greene
Greg and Donna Greisman
Charlotte D. Hawes
Gita S. van Heerden/ The Ganlee Fund

Mr. and Mrs. C. A. Porter Hopkins *in honor
of James W. Constable*

Kenneth Ingham

Nancy and Larry Isaacson

Mr. Thomas B. Jeffers

Oakley & Frances Johnson

Ann Jones

Ellen Harvey Kelly

Ms. Barbara B. Knapp

Toby Lloyd

Mrs. Sandra Lumpkin *in memory Dr.*

Samuel M.M. Lumpkin

Mr. and Mrs. Edward L. Middleton

Charles H. Miller

Helene Perry

Henry Pitts

Werner & Elizabeth Schumann

Frances Turgeon

Lucy and Vernon H.C. Wright

Friend \$10-\$99

Frank and Christina Allen

Ron Boyer/ Liz McDowell

Vladimir Dupre

Ms. Gail Ensor

Mrs. Janet M. Greisman

Peter H. Hartline

Ronnie Hay & Richard Hill

James Hayes

Joe and Carol Jelich

Robert Keller PHD

Phyllis Kilby

Richard Lahn

Gregory Ochoa *in honor of James W. Smith*

Mr. R. E. Orff *in honor Ms. Vivian Maneval*

Michael L. Richards

Dr. and Mrs. William Rienhoff III

Catherine R. Tipper

John Turgeon

Mr. and Mrs. Randolph Wentworth

John S. Weske

Thayer Young

Conservation Easement Donors

James North, Rita and Ronald Akins

Anonymous

The Conservancy of Broad Creek, Inc.

James and Katherine McClean Constable

Robert Fry and Judith Gifford

Donald C. Graham

Frederick L. Howard

Open Space Legacy Society

Dr. and Mrs. Gary P. Carver

Ms. Constance J. Lieder

The Honorable S. Jay Plager

Mr. and Mrs. Alan Schmaljohn



Protecting Land Forever



100 Community Place, Third Floor, Crownsville, MD 21032-2023
410-697-9515
www.dnr.maryland.gov/met