

Money for Nothing: A Case Study on Leveraging Donated Property to Satisfy Federal Grant Match Requirements



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About the Author



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About the Virginia Coastal Policy Center

The Virginia Coastal Policy Center (VCPC) at the College of William & Mary Law School provides science-based legal and policy analysis of ecological issues affecting the state's coastal resources, providing education and advice to a host of Virginia's decision-makers, from government officials and legal scholars to non-profit and business leaders.

With two nationally prominent science partners – the Virginia Institute of Marine Science, one of the largest marine research and education centers in the United States, and Virginia Sea Grant, a nationally recognized broker of scientific information – VCPC works with scientists, local and state political figures, community leaders, the military, and others to integrate the latest science with legal and policy analysis to solve coastal resource management issues. VCPC activities are inherently interdisciplinary, drawing on scientific, economic, public policy, sociological, and other expertise from within the University and across the country. With access to internationally recognized scientists at VIMS, to Sea Grant's national network of legal and science scholars, and to elected and appointed officials across the nation, VCPC engages in a host of information exchanges and collaborative partnerships.

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VCPC grounds its pedagogical goals in the law school's philosophy of the citizen lawyer. VCPC students' highly diverse interactions beyond the borders of the legal community provide the framework for their efforts in solving the complex coastal resource management issues that currently face Virginia and the nation. Whether it is working to understand the underlying realities of local zoning policies or attempting to identify and reconcile the concerns of multiple stakeholders, VCPC students experience the breadth of environmental lawyering while gaining skills that will serve them well regardless of the legal career they pursue upon graduation.

I. INTRODUCTION

Funding is one of the greatest challenges facing state and local governments, especially for conservation projects. Many federal grants require “match” funding from a grant applicant, often up to 50% of the project cost. In particular, local budgets are stretched amongst crucial underfunded obligations, leaving little room for conservation. Grant applicants may feel trapped between taking on additional liabilities and passing on federal funding. In Virginia, resourceful regional and state government officials are pioneering a third way: leveraging real property assets to satisfy match requirements.

In 2014, the Middle Peninsula Chesapeake Bay Public Access Authority (“MPCBPAA” or “Public Access Authority”)¹ applied the land book value of a private waterfront land donation for public use as match against a related National Oceanic and Atmospheric Administration (NOAA) Virginia Coastal Zone Management Program (“Coastal Program”) grant by placing a specific deed encumbrance on the gifted property for uses recognized as consistent with the purposes of the National Coastal Zone Management Program.² This encumbrance provided a nexus between the donated land and the conservation goals of the Coastal Program. Cooperation with relevant state and federal authorities was crucial to ensure that the value of the donated lands would satisfy match-funding requirements.

The grant match principles employed by the Public Access Authority have allowed the Commonwealth to realize the full value of land donations intended for conservation. This report explains grant match funding generally and the use of in-kind property transfers as match; analyzes the legal authority and requirements for using in-kind match for grants issued under Section 306A of the Coastal Zone Management Act (CZMA); and outlines a case study in Virginia where innovative state and local authorities have leveraged existing assets to generate match for conservation programs. While this report focuses on matching funds for Section 306A Coastal Program grants and finds its model in a unique innovative project, its principles potentially may be applied to other federal grant programs. By formalizing the principles discussed herein, state and local authorities may be able to realize the full value of donations for conservation. To the best of the author’s knowledge, this report is accurate; however, the contents should not be construed as NOAA policy.

II. IN-KIND (“SOFT”) MATCH, GENERALLY

Many states have reduced funding for conservation, passing this responsibility on to local and regional authorities. While prospective grant recipients may not have sufficient funds to meet match requirements, federal grant programs often permit “soft match” in lieu of cash; i.e., prospective recipients may apply the value of “in-kind” donations of services and goods (including land and improvements) as match for a grant project. To determine whether and how a particular

¹ The MPCBPAA was created in 2002 to take over title and control of landings and other potential access sites in the Middle Peninsula so that they could be secured for use by the general public as public access sites. VA. CODE ANN. §§ 15.2-6600 to 15.2-6625.

² See *infra* notes 33-56 and accompanying text.

federal program allows in-kind match, one can look to the specific statutory or regulatory provisions governing those programs.³

For an in-kind donation to apply as match, federal agencies often require some nexus between the donation and the specific grant project or overall program. Traditionally, in-kind match involves a direct contribution to a particular project by the grant recipient or some related third party.⁴ An example provided by Lewis Lawrence, Executive Director of the Middle Peninsula Planning District Commission, is that if a local government donates building materials to construct a pier that is being funded by a federal grant, that donation could be counted as a match, thereby reducing that locality's required cash contribution by the value of the donated materials.⁵ If the cost of those materials exceeds the value of the federal grant, the locality would be relieved of any obligation to contribute cash match. In this latter scenario, the locality has generated "overmatch" that can be applied to other projects under the same grant.

The plain language of grant regulations may not require the granting agency to limit this "nexus" to a narrow category of expenditures; in fact, a broader view of the nexus and in-kind match has the potential to further state and federal conservation goals, while easing burdens on cash-strapped localities. According to Mr. Lawrence, many states encourage land conservation through donation or easement,⁶ and in some circumstances, driven by programmatic grant terms; the recipient of the property can leverage that donation's value to match federal grants for conservation.

For example, in Virginia, state and local authorities have begun to record the value of coastal land donated for public access and conservation purposes in order to satisfy match requirements under Section 306A of the national CZMA.⁷ According to Mr. Lawrence, the following process has allowed the Public Access Authority to generate match value from the receipt of conservation lands:

- The open federal grant is related to conservation. This is an essential prerequisite to satisfy the nexus requirement.
- A third party seeking to donate land (a private citizen or, in the Public Access Authority case, a non-profit conservation organization) transfers coastal land to the regional public access authority.

³ See U.S. GOV'T ACCOUNTABILITY OFF., GAO-06-382SP, PRINCIPLES OF FED. APPROPRIATIONS LAW 10-5 to -6 (3d ed., Vol. II, 2006), available at <http://www.gao.gov/assets/210/202819.pdf>. If the statute is silent as to whether in-kind contributions count as match, that program should be construed to permit soft match for the reasonable value of property, services, and cash. *Id.* at 10-97. In the absence of agency specific law, or where that law is silent, state and local governments should determine general grant making principles pursuant to Office of Management and Budget common rules, available in Circulars A-87 (re: cost principles), A-102 (re: administrative requirements), and A-133 (re: audit requirements). See OFFICE OF MGMT. & BUDGET (OMB), GRANTS MGMT., GRANTS CIRCULAR ATTACHMENT, https://www.whitehouse.gov/omb/grants_attach/ (last visited September 27, 2017).

⁴ See, e.g., FEDERAL EMERGENCY MGMT. AGENCY (FEMA), HAZARD MITIGATION GRANT PROGRAM, https://www.fema.gov/media-library-data/20130726-1758-25045-4813/inkind_contribution.pdf.

⁵ Conversation with Lewis Lawrence, Executive Director of the MPPDC (July 2017).

⁶ See, e.g., Va. Open-Space Land Act, Va. Code Ann. §§ 10.1-1700 to 10.1-1705; Va. Conservation Easement Act, VA. CODE ANN. §§ 10.1-1009 to 10.1-1016.

⁷ See Coastal Zone Mgmt. Act of 1972 (CZMA), 16 U.S.C. §§ 1451-1465 (amended by Pub. L. No. 109-58, the Energy Policy Act of 2005, available at https://coast.noaa.gov/czm/media/CZMA_10_11_06.pdf).

- At closing, the grant recipient records the deed with an encumbrance: (1) reserving the property for public access and conservation, and (2) tying that property transfer to a related federal (Coastal Program) grant.
- The state agency charged with implementing the grant program applies the assessed or appraised value of the property as in-kind match for that grant.⁸
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In short, the process requires an open federal grant, a property donation to a public entity, and a nexus between the donated property and the grant. In the Public Access Authority case, the donated property (coastal land intended for conservation) directly furthers the conservation and public access goals of the Coastal Program, satisfying this nexus requirement.

Because the grant in question is part of an annualized formula-driven cooperative agreement with several underlying projects (or “tasks”), any additional overmatch could theoretically be applied to those projects as needed. Note that the Public Access Authority does not receive anything of value in exchange for the overmatch; the disbursement of any “overmatch” is purely at the discretion of the state agency charged with implementing the grant.

III. IN-KIND MATCH FUNDING FOR THE COASTAL PROGRAM

The National Coastal Zone Management Program⁹ is a voluntary partnership between the federal government and participating coastal and Great Lakes states to ensure the protection, restoration, and responsible development of shorelines and other coastal resources.¹⁰ Participating states implement the CZMA through their Coastal Management Programs (“State Coastal Programs”). In Virginia, the Department of Environmental Quality implements the Coastal Program.¹¹

Section 306A of the CZMA provides funding for conservation and public access projects.¹² The State Coastal Program must match all Section 306A grants on a 1:1 basis.¹³ However, nothing in the CZMA, attendant regulations, or relevant guidance requires each individual grant task to be matched 1:1, as long as the recipient State Coastal Program matches the entirety of Section 306 (and 306A) for each annual grant.¹⁴ Each state has significant flexibility to define its conservation strategies and priorities through its NOAA approved State Coastal Program Plan.¹⁵ NOAA’s

⁸ Conversation with Lewis Lawrence, Executive Director of the MPPDC (July 2017).

⁹ Established by the CZMA, *supra* note 7.

¹⁰ NAT’L OCEANIC & ATMOSPHERIC ADMIN. (NOAA), OFF. FOR COASTAL MGMT., ABOUT THE NAT’L COASTAL ZONE MGMT. PROGRAM, <https://coast.noaa.gov/czm/about/>.

¹¹ Va. Exec. Order No. 35 (Dec. 2, 2014), <https://governor.virginia.gov/media/3490/eo-35-continuation-of-the-virginia-coastal-zone-management-programada.pdf>.

¹² *See* CZMA § 1455a.

¹³ *Id.* § 1455a(a)(1).

¹⁴ Conversations with Lewis Lawrence, Executive Director, MPPDC (March 2016) and Laura McKay, Virginia Coastal Program Manager (March 2016); *see also* Virginia 306A Project List and Budget (FY14), Grant No. NA14NOS4190141, *infra* Appendix 1.

¹⁵ NOAA, OFF. FOR COASTAL MGMT., THE NAT’L COASTAL ZONE MGMT. PROGRAM, <https://coast.noaa.gov/czm/>. Many 306A projects must be designated under the State Coastal Program Plan. *See* 306A Guidance, *infra* note 16, at 1.

Office for Coastal Management has issued a Section 306A Guidance document¹⁶ to help state Coastal Programs identify and comply with relevant programmatic requirements. The Office for Coastal Management must approve each 306A project proposed by State Coastal Programs consistent with the 306A Guidance.¹⁷

NOAA has explicitly authorized the use of in-kind match for Section 306A projects.¹⁸ The in-kind acquisition must be sufficiently related to the program or grant (i.e., the donation must have some nexus to the purposes of Section 306A).¹⁹ Details about Section 306A funding requirements are explained below.

A. In-Kind Match Funding Permitted for Section 306A Projects

State Coastal Programs may use any combination of eligible state or local funds and in-kind donations as match. NOAA Coastal Program grant match principles are governed by the Office of Management and Budget (OMB) uniform grant regulation and guidance, codified at 2 C.F.R. pt. 200.²⁰ Section 200.306 governs cost sharing and match principles.

The OMB Uniform Guidance defines third party, in-kind contributions as “the value of non-cash contributions (*i.e.*, property or services) that—(a) Benefit a federally assisted project or program; and (b) Are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award.”²¹ This permits the value of related, in-kind contributions to be used as match upon approval from the relevant federal authority (the NOAA Officer for Coastal Management) and the State Coastal Program (as the original grant recipient and party charged with implementing the grant program).²² Any portion of donated property that is acquired with federal funds cannot be counted as match.²³ Match value is the lesser of either (1) the value recorded in the donor’s accounting records at donation or (2) the current fair market value at the time that the grant is made.²⁴

¹⁶ NOAA, *Coastal Zone Mgmt. Act: Section 306A Guidance* (1999) (“306A Guidance”), available at <https://coast.noaa.gov/czm/media/guide306a.pdf>.

¹⁷ *Id.* at 11.

¹⁸ *See id.* at 11. Uniform grant regulations are available at 2 C.F.R. pt. 200. These regulations repeal and replace NOAA-specific regulations noted in the 306A Guidance and formerly found at 15 C.F.R. pt. 24.

¹⁹ *See* 306A Guidance, *supra* note 16, at 3-4.

²⁰ Note that properly promulgated agency regulations within the bounds of that agency’s statutory authority “have the force and effect of law and may not be waived on an ad hoc basis.” GAO, *FED. APPROPRIATIONS LAW*, *supra* note 3, at 10-45. Former Dept. of Commerce (NOAA’s parent agency) grant regulations located at 15 C.F.R. § 24 have been repealed and replaced by the OMB Uniform Guidance. *See* 2 C.F.R. § 1327.101. However, these new regulations do not materially differ from the prior regulations with respect to using donated property as in-kind match. *See* 2 C.F.R. §§ 200.96; 306.

²¹ 2 C.F.R. § 200.96.

²² 306A Guidance, *supra* note 16, at 11; 2 C.F.R. § 200.306(b)(6). For example, the Public Access Authority (a political subdivision of the Commonwealth, and the local project sponsor) has acquired permission from the NOAA Coastal Program Director and Virginia Coastal Program. *See* Task 53 signed 306A Checklist, *infra* Appendix 2.A. A signed 306A checklist signifies that all elements of the project task have been approved. *See supra* note 17 and accompanying text.

²³ 2 C.F.R. § 200.306(b)(2).

²⁴ *Id.* § 200.306(d).

In-kind contributions qualify as match if they benefit a federally assisted *project or program*, not just one particular grant task.²⁵ In the Public Access Authority case, the value of property transfers donated to the Public Access Authority satisfied the match requirement for an entirely separate Section 306A land acquisition project under the same Section 306A conservation grant.²⁶ The Virginia State Coastal Program closed both tasks (first, the donation and encumbrance of land, and second, the acquisition project) within the same grant period and under the same grant number to take account of the overmatch and ensure the recorded deeds of the donated properties were tied to the relevant grant number.²⁷ The value of the donated property was determined by the assessed tax value of the property.²⁸

B. Nexus – Eligible In-Kind Match

OMB regulations authorize in-kind match only if the donated goods or services are sufficiently related to the purposes of the specific project or program.²⁹ In order to establish the “nexus” between the program and the match, grant recipients should look to the goals of both Section 306A and that state’s implementation plan for the State Coastal Program.

CZMA Section 306A allocates federal funds to the states for conservation, restoration, and public access projects. Eligible projects include:

- purchasing or conserving eligible coastal land;
- restoring coastal resources (*e.g.*, wetlands and shellfish habitat);
- rehabilitating certain urban waterfronts and ports; and
- providing public access to beaches and other coastal areas.³⁰

Priority goals under Virginia’s State Coastal Program Plan include protecting and restoring coastal resources and habitats, reducing losses of coastal habitat, and improving public access to shorelines and coastal waters.³¹ The Virginia State Coastal Plan also establishes “areas of geographic concern,” including:

- spawning/nursery/feeding grounds;
- coastal primary sand dunes;
- underwater historic resources;
- significant wildlife habitat areas;
- significant public recreation areas;
- highly erodible/high hazard areas;

²⁵ In order to be eligible as match, the in-kind donation must (i) be “necessary and reasonable” to accomplish either project or program objectives, and (ii) be an “allowable” cost under Section 200, Subpart E. 2 C.F.R. § 200.306(b)(3-4).

²⁶ See Part III of this report, *infra*, for an explanation of this process.

²⁷ See Grant No. NA14NOS4190141, *infra* Appendix 1.

²⁸ See VA. CODE ANN. § 58.1-3201.

²⁹ See 2 C.F.R. § 200.306(b)(3-4). Match is valid if eligible as an allowable cost under the Cost Principles, available at 2 C.F.R §§ 200.400-200.475.

³⁰ CZMA § 1455a(b).

³¹ See NOAA, ABOUT THE NAT’L COASTAL ZONE MGMT. PROGRAM, *supra* note 10.

- waterfront development areas.³²

In the case study below, several coastal properties were donated for public access to the waterfront and deed-encumbered for conservation. Such donations directly further the public access goals of Section 306A of the CZMA and the specific conservation values of the Virginia State Coastal Program Plan. Therefore, these property transfers satisfied the nexus requirement for in-kind match under Section 306A.

IV. VIRGINIA CASE STUDY – PROPERTY DONATED TO THE MIDDLE PENINSULA PLANNING DISTRICT COMMISSION USED AS MATCH FOR A SEPARATE SECTION 306A LAND ACQUISITION

In Virginia, the Middle Peninsula Chesapeake Bay Public Access Authority (a political subdivision of the Commonwealth) assessed the value of donated land as match for the Virginia State Coastal Program’s Section 306A grant program.³³ This generated what is known as “overmatch,” or match value in excess of the 1:1 requirement for that particular project.³⁴ The Virginia State Coastal Program then applied this overmatch to another Section 306A grant project, or task, in need of additional matching funds.³⁵ To tie this overmatch to the task seeking funds, the Public Access Authority recorded the deeds with an encumbrance that: (1) restricted the use of the property for preservation and public access, (2) certified that the property furthered the goals of the Coastal Program and Section 306A, and (3) explicitly tied the donation to the specific Section 306A grant number.³⁶ Both the overmatch task (Task 53) and the task seeking match (Task 10) fell within the same Section 306A grant cycle, FY2014.³⁷ Note that the Virginia State Coastal Program distributed any overmatch generated; the Public Access Authority had no power to apply the overmatch to a preferred project or task.

The use of donated lands as match has potential value looking forward. For example, a formal, institutional pathway for implementing these in-kind overmatch principles would increase flexibility and transparency. It might also allow for the creation of a “match only” task under the grant would simplify the property recordation process and prevent the co-mingling of unrelated project funds. Further, a “lookback” agreement with the relevant federal agencies would allow any unused overmatch to roll over from prior fiscal years. Such adjustments could facilitate transactions that generate match, ensuring a more reliable stream of funding for state Coastal Programs and project sponsors.

³² NOAA, OFF. FOR COASTAL MGMT., VA. COASTAL ZONE MGMT. PROGRAM OVERVIEW, <http://www.deq.virginia.gov/Portals/0/DEQ/CoastalZoneManagement/Virginia%20CZM%20Program%20Overview.pdf>.

³³ See discussion *infra* Part III, Section A.

³⁴ See *infra* notes 38-56 and accompanying text.

³⁵ *Id.*

³⁶ See Deed, Parcels Nos. 13-14-3 and 36-14-4, *infra* Appendix 4.A; Deed, Parcel Nos. 31-A-116B and 31-A-200, *infra* Appendix 4.B.

³⁷ See Grant No. NA14NOS4190141, *infra* Appendix 1.

A. Task 53 (FY14): Captain Sinclair Pier Project - Overmatch

Task 53 was a Section 306A grant project sponsored by the Middle Peninsula Planning District Commission (MPPDC) and the Public Access Authority to construct a public pier and install native plants around public access property.³⁸ The 155 foot x 8 foot pier facilitates public access to the Severn River in Gloucester County, Virginia on Public Access Authority property,³⁹ while the native plantings helped to enhance the pier construction and natural environment around the project site.⁴⁰ The total federal grant award for the project was \$39,977.⁴¹

In order to satisfy the match requirement, Task 53 also provided for the closing and recordation of two properties in Mathews County, Virginia entirely unrelated to Task 53: Bethel Beach⁴² and Winter Harbor.⁴³ Mr. Lawrence explained that a third party conservation organization had previously approached the Public Access Authority with an offer to donate those two properties. Upon transfer, these privately-held conservation lands were opened for public access, furthering Section 306A conservation and access priorities.⁴⁴ The deed encumbrance was essential to bind these properties permanently for the purposes of conservation and public access.⁴⁵

First, it established the nexus between the property donation and the purposes of CZMA Section 306A.⁴⁶ Second, it tied the donation to the FY14 Section 306A grant contract number.⁴⁷ Both the Virginia State Coastal Program and NOAA approved the grant project, authorizing the

³⁸ See 2014 Va. Coastal Zone Mgmt. Program Grant, Task 53, *infra* Appendix 3.A.1.

³⁹ *Id.* at Product #2.

⁴⁰ *Id.* at Product #1.

⁴¹ *Id.* at VII; Grant No. NA14NOS4190141, *infra* Appendix 1. Final budget for the project was \$227,677, accounting for the federal grant award, the match value of donated properties, and additional in-kind contributions valued at \$14,100.

⁴² Encompassing two separate parcels: Tax Map #31-A-116 B (18+- acres); #31-A-200 (3+- acres). See Deed, Parcels Nos. 13-14-3 and 36-14-4, *infra* Appendix 4.A.

⁴³ Encompassing two separate parcels: Tax Map # 36-14-3 (2.53 acres); #36-14-4 (2.52 acres). See Deed, Parcel Nos. 31-A-116B and 31-A-200, *infra* Appendix 4.B.

⁴⁴ “[Public Access Authority] offered as matching funds for the project the donation, recordation, and encumbrance of 4 separate private waterfront land donations. . . These properties were previously managed and protected for private conservation by a local 501(c)3 which needed to dissolve. Upon transfer to the [Public Access Authority], the lands became publicly held and available for new water access sites. Upon recordation of donated fee simple interest, the waterfront land pivoted from private land to new public trust resources.” *Captain Sinclair’s Landing Public Access Improvements*, *infra* Appendix 3.A.2, at 3.

⁴⁵ “The real property value of this [property—Tax Map #], determined and set by the Code of Virginia Title 58.1-3201 has been used as match for Federal financial assistance award NA14NOS4190141 through the Virginia Coastal Zone Management 306A Program. The land must be retained for conservation purposes and the purposes for which it was entered into the Virginia Coastal Zone Management 306A program. The Middle Peninsula Chesapeake Bay Public Access Authority shall not dispose of, encumber its title or other interest in this property, or convert it to other uses without notifying NOAA or its successor agencies. The Middle Peninsula Chesapeake Bay Public Access Authority is responsible for monitoring and managing of the property and shall not dispose of the property or modify the terms without notifying NOAA or its successor agencies.” *Captain Sinclair’s Landing Public Access Improvements*, *infra* Appendix 3.A.2, at 10. See Appendix 4 for the deed-specific language.

⁴⁶ “The land must be retained for conservation purposes and the purposes for which it was entered into the Virginia Coastal Zone Management 306A program.” *Captain Sinclair’s Landing Public Access Improvements* at 10, *infra* Appendix 3.A.2. See Part II.B of this report for a list of permissible purposes under 306A and Virginia’s Coastal Program (including public access).

⁴⁷ Grant No. NA14NOS4190141, *infra* Appendix 1.

federal grant and associated overmatch.⁴⁸ This process allowed the Public Access Authority to record an additional match value of \$173,600 to be applied to projects under Virginia’s FY14 Section 306A grant.⁴⁹ After matching the remaining requirement from Task 53, the property donations generated \$147,723 in overmatch.⁵⁰ Lewis Lawrence described the overmatch as being directed into a “match bucket,” which other eligible projects funded by that year’s Section 306A grant could use to satisfy match requirements. The Section 306A parent grant recipient controlled distribution of this overmatch and implementing agency, the Virginia State Coastal Program.

B. Task 10 (FY14): Beautiful Woods Acquisition – Example of Applying the “Overmatch” from Task 53

Task 10 provided Section 306A funding to the Virginia Department of Conservation and Recreation (“DCR”) for the fee simple purchase⁵¹ of 1.145 acres of woodlands for conservation.⁵² This acquisition expanded the Pickett’s Harbor Natural Area Preserve in Northampton County, Virginia.⁵³ This acquisition was eligible for Section 306A funding because it was listed as a protection priority for the Virginia State Coastal Program.⁵⁴ DCR originally requested \$226,176 under Task 10 for land acquisition and an economic study regarding the Eastern Shore.⁵⁵ However, DCR and the Virginia State Coastal Program reprogrammed the grant request, using additional grant funding from FY12 to lower the total FY14 Task 10 federal grant request to \$117,351.⁵⁶ The overmatch from Task 53 was used to satisfy this match requirement.

V. CONCLUSION

While federal Section 306A funding is an invaluable resource for conservation and public access projects, match requirements can prove a significant hurdle to potential project sponsors. Many states and localities, however, have substantial non-cash assets that they can leverage as match. The institutional pathway described in the case study above accounts for donative property transfers as in-kind match for projects within the same federal grant program. A successful “match bucket” requires cooperation among the federal agency charged with implementing a particular grant program, the state grant recipient and administrator, and the project sponsor. This framework

⁴⁸ Section 306A Project Checklist, *infra* Appendix 2.A.

⁴⁹ See 2014 Va. Coastal Zone Mgmt. Program Grant, Task 53, *infra* Appendix 3.A.1, at VI; Grant No. NA14NOS4190141, *infra* Appendix 1. Project sponsors also provided \$14,100 in match from other sources, for a total match value of \$187,700. Appendix 3.A.1.

⁵⁰ The total match of \$187,700 minus the \$39,977 match requirement for Task 53 equaled \$147,723 in overmatch.

⁵¹ The FY14 funds were used to finance the purchase of 39.6% of the fee simple interest. Funds from FY12 Task 10.02 (Grant No. NA12NOS4190168) and FY13 Task 10 (Grant No. NA13NOS4190135) will be used to acquire the remaining interest in Lot 2. 2014 Va. Coastal Zone Mgmt. Program Grant, Task 10, *infra* Appendix 3.B.1, at 1.
⁵² *Id.*

⁵³ Currently owned by DCR. *Id.*

⁵⁴ *Id.*

⁵⁵ See Grant No. NA14NOS4190141, *infra* Appendix 1; Correspondence with April Bahen, Grants Coordinator, Virginia Coastal Program (May 2, 2016), *infra* Appendix 5.

⁵⁶ See 2014 Va. Coastal Zone Mgmt. Program Grant, Task 10, *infra* Appendix 3.B.1, at 5 (showing a final project budget of \$117,351); see also Appendix 5, Correspondence with April Bahen. The discrepancy between the 306A Project List and the actual project budget is explained in the Appendices, *infra*. Compare Appendix 1 with Appendices 2.B.1 and 2.B.2.

could be further streamlined with two adjustments. First, a “match only” task would simplify the property recordation process and prevent the co-mingling of unrelated project funds. Second, state grant administrators could negotiate a “lookback” provision with the relevant federal agencies to allow unused overmatch to rollover from prior fiscal years. This would ensure a more reliable stream of match funding for the State Coastal Programs. However, this report bases its analysis on a single project, and NOAA does not currently have any specific programmatic policies or guidance on this subject, further implementation of its innovative principles has the potential to allow state and local entities to realize the full value of conservation lands and leverage federal dollars.

Appendix 1— Virginia 306A Project List and Budget (FY14), Grant No. NA14NOS4190141

Appendix 2—306A Checklists, Grant No. NA14NOS4190141 (FY14), Tasks 53 and 10

2.A. Task 53 Signed Checklist

2.B.1. Task 10 Signed Checklist

This signed 306A checklist memorializes NOAA certification of Task 10. However, the Virginia Coastal Program reprogrammed the grant from the \$149,581 noted here to \$117,351. This amended grant amount is noted in the Amended Task 10 Checklist, Appendix 2.B.2. NOAA never resigned the checklist. However, this is the final grant amount for Task 10. *See* Appendix 5, Correspondence with April Bahen, Grants Coordinator, Virginia Coastal Program (May 2, 2016).

2.B.2. Task 10 Amended Checklist (unsigned by NOAA)

See supra, Appendix 2.B.1. for the signed NOAA Checklist, memorializing federal certification of FY14 Task 10. The grant amount listed herein—\$117,351—is the final federal grant request.

Appendix 3— Virginia 306A Project Documentation, Grant No. NA14NOS4190141 (FY14)

3.A.1—Task 53 Scope of Work

3.A.2—Task 53 Final Report

3.B.1—Task 10 Scope of Work

3.B.2—Task 10 Final Report

Appendix 4—Deeds of Match Properties, Task 53 (FY14)

4.A—Bethel Beach Deed

Tax Map #31-A-116 B (18+- acres); #31-A-200 (3+- acres).

4.B—Winter Harbor Deed

Tax Map # 36-14-3 (2.53 acres); #36-14-4 (2.52 acres).

Appendix 5—Author Correspondence with Virginia Coastal Program (5/2/2016)

Email Correspondence with April Bahen, Grants Coordinator, Virginia Coastal Program (May 2, 2016).