

MEETING NOTES

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
SALUDA HYDRO PROJECT RELICENSING
LAKE AND LAND MANAGEMENT TWC
Economics Sub-Committee**

**SCE&G Bush River Rd Maintenance Area
December 12, 2006**

Final acg 1-29-07

ATTENDEES:

Alison Guth, Kleinschmidt Associates
Tommy Boozer, SCE&G
Roy Parker, LMA
John Frick, landowner
Van Hoffman, SCANA
Randy Mahan, SCANA
Rhett Bickley, Lexington County
Kim Westbury, Saluda County

HOMEWORK:

- Van, Tommy - Develop Economics Resource Group Strawman Workplan
- Kim – Research economic effects from the sale of land
- Tommy – Develop definitions for proposed new land classifications

DATE OF NEXT MEETING: **January 17, 2006 at 9:30 a.m.**
Located at Lake Murray Training Center

MEETING NOTES:

These notes serve to be a summary of the major points presented during the meeting and are not intended to be a transcript or analysis of the meeting.

Welcome and General Discussion on Rebalancing:

Van Hoffman, who was nominated the chair of the Economics Subcommittee at the last Lake and Land TWC, opened the meeting. Van provided the group with some of the background on proposed activities regarding fringelands. He explained that by increasing the 75 ft buffer to 100 ft, would reduce the fringeland to about 400 acres. It can subsequently be concluded that if the 100 ft setback were implemented than about 75 to 80 percent of the fringeland is protected. Van continued to give the group background on what SCE&G has looked at in the past with land donations and noted that there was an area on the eastern half of the lake that could possibly be placed under a conservation easement if need be in settlement agreements. Van pointed out that

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there were seven parcels in particular on the eastern half of the lake that were most valuable to the company. He explained that the total value of the future development lands was 65 million dollars.

The group observed the map that depicted the land classifications and Tommy described the mileage associated with each classification. Broken down into management prescriptions, Tommy explained that there were 98.23 miles associated with forest and game, 32.14 associated with public recreation, 5.81 associated with commercial recreation (sail clubs, marinas), and there was 102.7 miles in future development. He noted that they are in the process of identifying ESA's on these lands. Randy pointed out that many of the cove areas are already protected because ESA's are located in many of them. Tommy noted that since 1984 there has only been 26 miles of shoreline sold.

John Frick expressed concern that there would be discrepancy between the maps that DNR uses to evaluate forest and game management areas and the maps that SCE&G uses. It was explained that Orbis will come in with the most updated data for the groups to view and they would all be working off the same maps.

Van noted that from his view, one important item to keep in mind would be the idea of being able to perform land trades during rebalancing. John also suggested using a method that would employ no net loss. Tommy noted that it will be hard to encourage private property owners to participate in a management area without some sort of incentive.

Development of Evaluation Criteria:

It was noted that intent of the meeting would be to develop the evaluation criteria that the group would use to rate each of the land parcels. It was also noted that the group would use their time that day to come up with a method of scoring each parcel of land. The group discussed the list of evaluation criteria and the group agreed upon five items that will be used for scoring:

Scoring Criteria for Economic Values:

Economic Benefit to SCE&G, the County, Infrastructure, Etc.

- Location - proximity, amenities, infrastructure
- Market Value – price per acre/sq. ft
- Dimensions of Fringeland – Size, Width, Area per ft. of shoreline
- Dock Qualification as per policy – individual, shared, community
- Tax Base Potential

The group also noted that they would keep in mind the recreation potential when evaluating the land parcels, whether the recreation be public or commercial.

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Development of Scoring Method:

Alison noted that another goal of the day's meeting would be to develop a scoring method for the land parcels. After some discussion the group came to the conclusion that they would score the land parcels by assigning a score of 1-5 to each of the 5 criteria and adding the scores to receive an overall final score for each parcel.

Example:

Land Parcel # 12

Location – 5

Market Value – 5

Dimensions – 3

Dock Qualifications – 5

Tax Base Potential – 5

Total: - 23

Discussion on Land Classifications:

Van pointed out that in looking at the current land classifications it may be best to shift the classifications to future development, limited development, and natural habitat classifications, as other power companies have done. The group agreed that they liked these categories. Tommy further proposed having the following definitions at Lake Murray: future development, limited development, conservation classification, a natural habitat classification, and a recreation classification. Tommy explained that areas classified as conservation would be areas such as where ESA's are protected. A natural area may be where they would like to develop a viewshed, or an area between two ESA's. Tommy noted that natural areas could still have the opportunity to have a courtesy dock. The group decided that as a homework item they would think of other alternative names for the "natural area" classification. The group also noted they like the terms "protected access" and "limited conservation". Tommy was charged with developing definitions for each of the new proposed classifications.

Van noted that in addition to selection by criteria there needs to be a process that creates latitude for tradeoffs that utilize "tools in the box". An important key in trade-offs would be to attempt to keep a uniform buffer around the lake. Van noted that all rules need a "waiver process" subject to collaboration because it is impossible to write an absolute rule that always applies. He further noted that management and protection of the lake is a dynamic process that requires a degree of flexibility to take advantage of opportunities assuming no net loss. The group agreed that they approved of where the economic group was headed so far with the criteria and Van and Tommy noted that they would work on the strawman workplan for the next meeting.

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Group Adjourned

Strawman workplan

[Economic Data Here]

In addition to selection by criteria there needs to be a process that creates latitude for tradeoffs that utilize “tools in the box”. All rules need a “waiver process” subject to collaboration because it is impossible to write an absolute rule that always applies. Management and protection of the lake is a dynamic process that requires a degree of flexibility to take advantage of opportunities assuming no net loss.

The final location of all recreation sites will supercede other decisions on land classification.

Scoring Criteria for Economic Values:

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- Dimensions of Fringeland – Size, Width, Area per ft. of shoreline
- Dock Qualification as per policy – individual, shared, community
- Tax Base Potential

The group also noted that they would keep in mind the recreation potential when evaluating the land parcels, whether the recreation be public or commercial.

Land parcels will be scored by assigning a score of 1-5 to each of the 5 criteria based on the characteristics of that land parcel and adding the scores to receive an overall final score for the parcel.

Example:

Land Parcel # 12

Location – 5

Market Value – 5

Dimensions – 3

Dock Qualifications – 5

Tax Base Potential – 5

Total: - 23

[Possible discussions on proposed new land classifications]