

UPPER PENINSULA LAND CONSERVACY

Policy 11A – Funding Conservation Easements

Board approved 5/13/2014

It is the policy of Upper Peninsula Land Conservancy (UPLC) to secure dedicated funds to cover expenses associated with each Conservation Easement. The process has eight steps:

1. **Estimate Expenses.** Project development expenses and in-perpetuity expenses include the following. (Note: Assumptions used to compute these expenses, such as mileage rates, labor and overhead, etc. will be displayed on the spreadsheet 11A1 and updated at least annually.)
 - a. Developing the Conservation Easement – Development expenses include communications with landowners, initial site inspection (Policy 8E), writing the conservation easement, legal review of the easement, baseline property inspection and report (Policy 11B), proof of clear title (Policy 9H), closing/recording costs, and special property needs (e.g., signage). All conservation easements shall be reviewed before signing by a qualified attorney representing UPLC. Other professional costs that may be required, such as surveys or natural resource consultation, will be included in the development costs, but may be the landowner’s responsibility to pay.
 - b. Annual Monitoring – Annual monitoring of the easement will be conducted on all conservation easement properties, with more frequent monitoring if indicated by higher risks to the conservation values. Travel expenses will be based on the property’s distance from the UPLC office and the accessibility of the property. For easements with provisions requiring prior approval or review of building plans or land management plans (e.g., working forests or farms), additional staff time will be budgeted for plan reviews, landowner conferences, and site inspections.
 - c. Enforcing and Defending– All conservation easements shall be enforced first by encouraging voluntary compliance and informal methods not requiring legal action (only staff hours). Formal and/or legal action shall be taken if voluntary and informal actions do not prove adequate to protect the property (staff hours plus professional and/or legal fees). All conservation easements shall also be insured against extraordinary legal defense costs (annual premium).
 - d. Landowner Relationships – Ongoing relationships with landowners shall be maintained through annual monitoring visits and other meetings, monitoring reports, newsletters, and by providing information on land management issues. When property ownership changes, new landowner education will be provided.
2. **Inform all Landowners.** Inform all owners of the subject property about the estimated expenses UPLC will have if it accepts the Conservation Easement. These expenses will be calculated and communicated using the easement expenses spreadsheet (Document 11A1).
3. **Intent to Convey.** Request a signed letter from all owners of the subject property stating their intent to develop a conservation easement to be held by UPLC. UPLC will prepare the letter of Intent to Convey and send it to all owners after the Stewardship Committee recommends that the project proceed. The signed copy shall be received before the Board of Directors considers

approval for work to begin drafting the baseline documentation or conservation easement. (Document 11A3)

4. **Intent to Donate.** Request a signed letter from all owners of the subject property stating any intent they have to donate to the Forever Fund (Policy 6F & G). The Intent to Donate letter (Document 11A4) will declare the amount of any charitable contribution the donor(s) expects to provide and a contribution schedule. The Intent to Donate letter may be requested at any time deemed appropriate for the project.

A signed Intent to Donate letter may later serve as the basis for a promissory note. (Document 11A4.1)

5. **Prepare report for board.** A written project report will be presented to the Board for its consideration to proceed. The report will include:
 - 1-Title Investigation (9H)
 - 2-Project Selection Criteria Report (8B)
 - 3-Public Benefits Report (8D)
 - 4-Initial Site Inspection Report (8E)
 - 5-Letter of Intent to Convey (11A3)
 - 6-Letter of Intent to Donate (11A4)
 - 7-Stewardship Funding Estimator (12A1)
 - 8-Any Additional Funding Plans Identified
6. **Decision to proceed.** If the project selection criteria are met and the signed letter of Intent to Convey is received, the Board will consider granting approval to proceed. If any intended charitable contributions from Landowner(s) and/or money from other known funding sources will cover less than the estimated expenses, the Board may nonetheless choose to grant approval to proceed, if it develops and agrees to a written plan to secure the balance.
7. **If the Board decides not to proceed,** a written explanation will be sent to all Landowners.
8. **Take actions needed to complete transaction.** Following Board approval to proceed, resources such as staff time or other professional fees may be expended to complete the transaction. It is recognized that further negotiations and changes in estimated expenses are likely to occur as the easement and baseline are developed for final approval and acceptance by the board.