

UPPER PENINSULA LAND CONSERVACY

Policy 12A – Funding Conservation Preserves

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 Preserve. The process has eight steps:

1. **Estimate Expenses.** Project development 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 12A1 and updated at least annually.)
 - a. Developing the Project – One-time project development expenses include communications with landowners, initial site inspection (Policy 8E), drafting the land transfer/purchase agreement, a baseline property inspection and report (Policy 11B), title insurance (Policy 9H), management plan (Policy 12C), closing/recording costs, and other professional costs (e.g., natural resource consultation, boundary survey). The land transfer/purchase agreement and subsequent deed restrictions, or restrictive covenants, shall be reviewed by a qualified attorney representing UPLC before signing.
 - b. Annual Monitoring – Annual monitoring will be conducted on all conservation preserves, with more frequent monitoring if indicated by higher risks to the conservation values (Policy 12D). Travel expenses will be based on the property's distance from the UPLC office and the accessibility of the property. For conservation preserves with special provisions in the deed or restrictive covenant (and transfer agreement if applicable) e.g., working forests or farms, additional staff time will be budgeted.
 - c. Enforcing and Defending - Deed/Covenant Restrictions (and transfer agreement if applicable) and UPLC rules shall be enforced first by encouraging voluntary compliance and informal methods not requiring legal action (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 preserves shall also be insured against extraordinary legal defense costs (annual premium).
 - d. Managing the Property - Property management expenses such as preserve signs, gates, trails, parking area, brochures, kiosks, buildings, or any features requiring regular maintenance.
 - e. Updating the Management Plan - Conducting a 10-year review of management plan and updates to the plan. (Policy 12D).
2. **Inform all Landowners.** Inform all owners of the subject property about the estimated expenses UPLC will have if it accepts the Conservation Preserve. These expenses will be calculated and communicated using the Conservation Preserve expenses spreadsheet (Document 12A1).
3. **Intent to Convey.** Request a signed letter from all owners of the subject property stating their intent to convey ownership of the subject property for a permanent conservation preserve to be established and held by UPLC. UPLC will prepare the letter of Intent to Convey (Document

11A3) and send it to all owners for their signatures 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 Preserve documents such as, but not limited to, baseline documentation, deed restrictions, land management plans.

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 6 F & 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-Additional Funding Plan
- 9-Draft Land Transfer Agreement

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 transfer agreement, deed/covenant, and baseline are developed for final approval and acceptance by the board.