

The Santa Fe Conservation Trust

CONSERVATION EASEMENT FEE, STEWARDSHIP & DEFENSE POLICY

Policy 2011-11-05

Adopted on: December 1, 2011

Updated: 10/18/2017

In accepting a conservation easement, the Santa Fe Conservation Trust (SFCT) assumes the responsibility and legal obligation to uphold the conservation easement's terms and conditions in perpetuity. These responsibilities include annual monitoring of the property, administration of all conservation easement documents and records, and legal defense of the conservation easement provisions as necessary. Therefore, the SFCT requests a Conservation Fee, a Stewardship Contribution and a Defense Contribution with each conservation easement donation.

Conservation Fee

The Conservation Easement Fee is estimated using the *Conservation Easement Preparation Cost Estimate Form*, which takes into consideration the costs of the initial property assessment, drafting of the Conservation Easement Deed, Baseline Documentation Report, tax applications, as well as recording and legal fees. The Conservation Fee is not a donation.

Stewardship Contribution

The Stewardship Contribution is calculated with the *Stewardship Calculator*, which takes into consideration:

- 1) Monitoring the site to ensure the conservation values are protected
- 2) Maintaining landowner/neighbor relationships
- 3) Enforcement of the terms of the conservation easement, as necessary.

The *Stewardship Calculator* utilizes the capitalization rate of SFCT's stewardship fund to determine the Stewardship Contribution request amount. The capitalization rate for the *Stewardship Calculator* will be updated annually and approved by the Finance Committee. The capitalization rate should reflect the expected long-term annualized return, net of inflation, of SFCT's investment portfolio.

SFCT will suggest a Stewardship Contribution using the established formula and make the conservation easement donor aware of the purpose of the donation. SFCT will not record a conservation easement without identification of the source(s) of the funding for the Stewardship Contribution. The conservation easement donor will be asked to sign an *Engagement Letter* and *Stewardship Pledge Agreement* for the Stewardship Contribution early in the process. The Stewardship Contribution will be due upon closing of the conservation

easement. This donation is placed in a pooled restricted fund, the proceeds from the interest going to cover annual monitoring expenses. The fund would also be used to support any legal costs in the future relating to enforcement of the conservation easement. The Stewardship Contribution is considered a tax-deductible charitable donation under IRS regulations. A typical contribution is \$15,000 - \$30,000.

Defense Contribution

A Defense Contribution is included in the *Stewardship Calculator*. This donation is placed in a pooled restricted fund that is to be used to support any legal costs in the future relating to enforcement of the conservation easement. The Defense Contribution is considered a tax-deductible charitable donation under IRS regulations

Actual requested contributions vary with each property, but are generally determined by the size of the property, the complexity of the conservation easement agreement, and the number and/or types of rights reserved, complexity of property boundaries, ease or difficulty in monitoring, etc. The Santa Fe Conservation Trust Land Review Committee and Board of Directors has the right to adjust the conservation fee or stewardship contribution on a case by case basis.



Sandra Massengill, Secretary

10.19.17

Date Adopted