

## **A - PROPERTY ACQUISITION AND DISPOSAL**

The **Land Trust** believes it should be selective in the lands it chooses to protect, and use the best possible methods for selecting and protecting these lands.

### **A1.0 GENERAL**

- A1.1 The Trust may acquire ownership of, or interest in, land and other real property through donation or purchase;
- A1.2 The Trust may own the property outright, or it may have an interest in the property such as a conservation easement or tenancy;
- A1.3 In certain cases, the former owner may retain an interest in the property such as a life interest; or, arrangements may be made to grant an interest to a third party, such as the Ontario Heritage Foundation or the Nature Conservancy of Canada, provided it meets the objects of the Trust;
- A1.4 In all cases it is presumed that the Trust will only retain ownership or interest in properties where such ownership or interest will further the objects of the Trust; and that in all other cases assets will be turned to account to further those same objects;
- A1.5 Transactions may be initiated by either the Trust or another party and this will be equally true of donations and purchases;
- A1.6 The acquisition of any property by the Trust entails responsibilities and liabilities and should not be entered into lightly;

### **A2.0 REVIEW AND APPROVAL OF PROPERTY ACQUISITIONS**

- A2.1 A Trust property will meet one of the following conditions:
  - A2.1.1 The property meets Land Trust site selection criteria;  
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  - A2.1.2 The property qualifies as trade land. Trade lands are: i) lands donated for the express purpose of being disposed of to fund Trust activities; or ii) lands purchased to be resold with conditions attached, or following a severance from a desired property; or
  - A2.1.3 Securement of the property will ensure the protection of an adjacent, more significant site;
- A2.2 Sufficient funds will be made available to meet all of the costs associated with property acquisitions, prior to completing property transactions, including: purchase price (where applicable), land transfer tax, legal obligations, legal fees and disbursements, survey costs, risk assessment study and any other costs that the Directors of the Trust shall deem prudent or necessary;
- A2.3 Provision will be made to fund the ongoing management expenses of the property prior to completing property transactions. This would normally be in the form of an endowment or a tenancy;
- A2.4 The Board of Directors may appoint a committee, staff person or consultant to undertake property evaluations (i.e. natural attributes, cultural values, adverse conditions);

### **A3.0 PROPERTY ACQUISITION**

- A3.1 The Trust will follow these steps:

- A3.1.1 Review available background information from the owner, conservation organizations, agencies or government sources;
- A3.1.2 Undertake a site visit that will consider both the site selection criteria and the potential of risks or hazards;
- A3.1.3 Obtain the fair market value of the properties being acquired, as determined by a qualified appraiser;
- A3.1.4 The Land Trust shall not pay more than fair market value for lands being acquired;
- A3.1.5 Determine management objectives and a preliminary management plan for the lands being acquired, including approximate costing associated with the implementation of the plan;
- A3.2 Based upon these considerations a recommendation shall be made to the Board of Directors for a provisional approval. Should this approval be granted the Trust will then proceed to develop the acquisition plan;

#### **A4.0 ACQUISITION PLAN**

- A4.1 A project budget and timetable: this will provide for the acquisition costs, implementation of the management activities and a stewardship endowment;
- A4.2 A fund raising strategy: even in the case of property donations there will often be some fundraising required to cover costs not provided for by the donor;

- A4.3 Negotiations with the owner: The Trust has an obligation to deal in an open and forthright manner with the property owner. In the case of a donation the Trust should ensure that the owner understands and supports the management objectives for the property and a signed letter of understanding should be obtained. In the case of a purchase, the Trust will usually seek an option to purchase conditional on successful fundraising that allows sufficient time to conduct a campaign;
- A4.4 Legal/professional advice: The Trust shall advise the owner to seek independent legal and financial advice, especially with respect to any tax implications of the exchange. The Trust shall also secure appropriate, independent advice. The Trust shall make provisions for such legal/professional advice in its annual budget;

#### **A5.0 DISPOSITION OF PROPERTY**

- A5.1 There are two classes of land to be considered:
- A5.1.1 Those lands previously described as trade lands that have been acquired for the express purpose of disposition. These will usually be lands donated for this purpose, although they may also include a portion of an acquisition not required for the purposes of the Trust. The most significant factor to be considered in these instances is that all donors should be made aware of the Trust=s intentions at the time of their donation;
- A5.1.2 The second category includes lands that over time cease to be necessary for the fulfilment of the objects of the Trust. These situations are likely to be unforeseen and to perhaps arise many years after the acquisition. In general this situation could arise either when the property is no longer threatened or no longer possesses the values for which it was acquired. While conceding that these situations seem unlikely today, the present Directors of the Trust should be extremely cautious about binding future Directors by accepting any conditions of an infinite or absolute nature;

#### **A6.0 GUIDELINES FOR DISPOSITION**

- A6.1 No disposition should be prejudicial to the objects of the Trust;
- A6.2 Appropriate conditions and or covenants should be attached to any disposition to protect the objects of the Trust;
- A6.3 The Trust should realize fair market value from the disposition and shall consider the timing of the disposition accordingly;
- A6.4 The proceeds from the disposition shall be applied to the objects of the Trust;
- A6.5 All dispositions shall be conducted in an open, fair and ethical manner that will not result in any undue advantage to any person.