

2016 Local Agricultural Easement Purchase Program (LAEPP) Process Steps

A) Application for Local Sponsor Certification

The Ohio Department of Agriculture (ODA) opens the Application for Local Sponsor Certification. Local Sponsors (LS) can be cities, counties, townships, soil and water conservation districts, or non-profit organizations such as land trusts. LS must be certified to later submit landowner applications.

Timeline: September 15, 2015 – October 15, 2015

B) Ohio Farmland Advisory Board reviews and recommends LS for Certification

The Board reviews *Applications for Local Sponsor Certification* and makes recommendations to the Director of ODA.

Timeline: November 18, 2015

C) Announcement of Certified Local Sponsors and funding allocations

The Director announces those LS certified to conduct landowner application periods and the amount of funding each LS has been awarded for purchasing agricultural easements.

Timeline: November 20, 2015 (tentative)

D) LS promotes upcoming landowner application period

LS holds local meetings to promote the upcoming landowner application period.

Timeline: November 20, 2015 – January 15, 2016

E) Cooperative Agreement

ODA and LS sign a *Cooperative Agreement (CA)* laying out the roles and responsibilities of the parties for the LAEPP landowner application and easement acquisition process.

Note: A sample CA is available on ODA's Clean Ohio LAEPP webpage under *Current Local Sponsor Documents*.

Timeline: November 20, 2015 – January 15, 2016

F) LS submission of localized Other Factors Section (formerly Step 14) (if applicable)

If the LS is utilizing a non-standard landowner application and localizing the Other Factors Section (formerly Step 14), they are to submit their questions to ODA for approval.

Note: For more information, see *Instructions for Preparing LAEPP Localized Questions (formerly Step 14)* on ODA's Clean Ohio LAEPP webpage under *Current Local Sponsor Documents*.

Timeline: November 20, 2015 – December 31, 2015

G) Local Sponsor training

All Certified LS attend mandatory training at ODA.

Timeline: December 2, 2015

H) LS registers for landowner application online access

All Certified LS logon to the landowner application website to register for access to submit landowner applications.

Timeline: December 15, 2015 – January 15, 2016

I) Online Landowner Application available

All LS prepare and enter their online landowner applications.

Timeline: January 15, 2016 –April 15, 2016

J) Landowner Application Exceptions Request/Approval

LS with landowners seeking any of the following exceptions must follow the instructions per the *2016 Policies and Guidelines* document available on the Clean Ohio LAEPP webpage:

- Large Farm Exception
- Small Farm Exception

Note: Requests for exceptions must be made before the end of the landowner application period. ODA approvals for exceptions must be attached to the landowner’s hardcopy application.

Timeline: January 15, 2016 –April 15, 2016

**K) Hardcopy Landowner Application and Landowner Application Funding Plan Submission
Deadline**

Final day for LS to submit a hardcopy application (with attachments) to ODA for approval for funding. LS who desire ODA review of landowner application completeness may submit their applications earlier. LS also submits their *Landowner Application Funding Plan (Exhibit D)* to ODA.

Note: The *Landowner Application Funding Plan (Exhibit D)* template can be found on the Clean Ohio LAEPP webpage under *Current Local Sponsor Documents*.

Timeline: January 15, 2016 – April 29, 2016

L) Advisory Board Meeting and recommendations to the Director

The Ohio Farmland Preservation Advisory Board will meet to recommend applications to the Director for funding.

Timeline: June 8, 2016

M) Director announces Landowner Applications approved for funding

The Director announces those landowner applications approved for funding.

Timeline: June 9, 2016

N) LS sends Notices of Selection to landowners

LS prepare (on their organization's letterhead) and send *Notices of Selection* (full and/or contingent) to landowners selected for funding. LS not using ODA's online template should send Notices to ODA for review prior to sending to landowner. Completed originals are forwarded to ODA.

Note: Template *Notices of Selection* (full and contingent), as well as *Guidelines for Preparing LAEPP Notices of Selection* can be found on the Clean Ohio LAEPP webpage under [Current Local Sponsor Documents](#).

Timeline: Notice to be mailed to landowners: June 9, 2016 – July 28, 2016
Original Notice back to ODA: June 9, 2016 – August 26, 2016

O) LS orders title search and Title Commitment and forwards to ODA for Legal review

Per the CA, LS orders a 90 year title search, title commitment, and copies of all conveyances and source documents. LS sends title commitment and source documents to ODA for review along with contact information for title agent.

Note: LS should provide their title agents with the LAEPP *Title Review Checklist*, available on the Clean Ohio LAEPP webpage under [Current Local Sponsor Documents](#).

Timeline: Due October 26, 2016 for all landowners that have signed full *Notices of Selection*

P) ODA issues Preliminary Closing Instructions to LS

ODA issues *Preliminary Closing Instructions* to LS, which will detail all items on the title commitment that the landowner and/or LS must have subordinated, extinguished or acknowledged prior to closing. Documents such as mortgage subordinations or oil and gas affidavits may be needed.

Note: All available subordination agreement and affidavit templates can be found on the Clean Ohio LAEPP webpage under [Current Local Sponsor Documents](#).

Timeline: This step is a prerequisite to requesting an ODA *Purchase Agreement* (see below)

Q) LS contacts county(ies) regarding survey requirements and orders survey if required

Some Ohio counties require all real estate transactions – including Deeds of Ag Easement – to have surveys completed prior to Recordation. LS should contact County to determine their requirements for reviewing the existing Legal Description for the property and for ordering a survey (if applicable per County).

Timeline: This step is a prerequisite to requesting an ODA *Purchase Agreement* (see below)

R) LS orders NRCS Appraisal (if applicable)

Once title review has been completed, and survey complete if required by county, ODA, or NRCS – LS should order appraisals for property being protected with federal matching funds, per ACEP-ALE requirements.

Timeline: This step is a prerequisite to requesting an ODA *Purchase Agreement* (see below)

S) LS completes Present Condition Report, Exhibits A1 and A2

LS can begin work on the *Present Condition Report (PCR)*, also known as Exhibit B to the *Deed of Agricultural Easement*, at any time. The *PCR* needs to be submitted to ODA for approval.

Exhibit A1 is normally a one-page document with a sentence or two describing how the property can be accessed (Ingress/Egress). Exhibit A2 is normally a one-page document depicting an image (farm map) of the property being protected.

Note: The *Present Condition Report* template and guidelines can be found on the Clean Ohio LAEPP webpage under *Current Local Sponsor Documents*.

Timeline: This step is a prerequisite to requesting an ODA *Purchase Agreement* (see below)

T) LS provides Conservation Plan and Forest Management Plan (if applicable)

LS obtains conservation plan and provides to ODA. If LS is participating in the United States Department of Agriculture-Natural Resources Conservation Service (USDA-NRCS)'s Agricultural Conservation Easement Program-Agricultural Land Easement (ACEP-ALE) program, NRCS' ALE plan may fulfill this requirement.

In addition, if the property is more than 20% forested or there are more than 40 contiguous wooded acres on the property, a forest management plan must be completed and a copy provided to ODA.

Timeline: This step is a prerequisite to initiating Closing process (see below)
Minimum 45 days before desired Closing date

U) Purchase Agreement and Draft Deed of Agricultural Easement

LS requests ODA to prepare and send a *Purchase Agreement* and *Draft Deed of Agricultural Easement* to the landowner. In order to continue, the landowner must return a signed *Purchase Agreement* to ODA within thirty (30) calendar days of postmark.

Note: There may be circumstances wherein a *Draft Deed of Agricultural Easement* is needed before a *Purchase Agreement* is issued (federal appraisal, mortgage subordination, etc.). Contact the Office of Farmland Preservation for these special circumstances.

A sample *Purchase Agreement* can be found on the Clean Ohio LAEPP webpage under *Current Local Sponsor Documents*.

Timeline: Minimum 120 days before desired Closing date

V) LS provides Escrow Agreement to ODA for review

LS prepares *Escrow Agreement* using ODA's template and submits to ODA for review. Per the CA, this agreement shall provide that ODA is a third party beneficiary of the escrow agreement and that funds shall be returned to ODA if not disbursed to the landowner within 90 calendar days of receipt by the title agent.

Note: The *Escrow Agreement* template can be found on the Clean Ohio LAEPP webpage under *Current Local Sponsor Documents*.

Timeline: Between October 26, 2016 – no less than 90 days prior to Closing

W) LS requests ODA initiate release of LAEPP Funds

ODA begins State Controlling Board process with the landowner-signed and notarized *Purchase Agreement*.

Note: Prior to this step, LS must have completed appropriate paperwork to be set up as a vendor/supplier in the State of Ohio's accounting system.

Timeline: Completed *Purchase Agreement* is a prerequisite to this step
Minimum 90 days before desired Closing date

X) LS elects Assignment of Payment Process

LS has the option to request that ODA's check be made payable directly to the title/closing agent. LS coordinates necessary documentation with ODA to complete this process.

Note: During this process, the title/closing agent may have to complete appropriate paperwork to be set up as a vendor/supplier in the State of Ohio's accounting system.

Timeline: This step is a prerequisite to initiating Closing process (see below)
Minimum 45 days before desired Closing date

Y) LS fulfills ODA Preliminary Closing Instructions

LS fulfills requirements of ODA's *Preliminary Closing Instructions* and any subsequent requirements prior to Closing.

Timeline: This step is a prerequisite to *Final Deed of Agricultural Easement* (see below)

Z) LS forwards signed Escrow Agreement to ODA

LS forwards previously-approved original signed *Escrow Agreement* to ODA.

Timeline: This step is a prerequisite to initiating Closing process (see below)
Minimum 45 days before desired Closing date

AA) LS obtains Closing Protection Coverage for ODA

LS has title agent provide ODA with the *Closing Protection Coverage* documents and requests ODA have a check prepared and sent to the title agent to be held in escrow until Closing. Per the *Escrow Agreement*, LS will endorse the check so that it may be deposited in escrow by the title agent until the Closing Conference, unless LS elects the *Assignment of Payment* process.

Timeline: This step is a prerequisite to initiating Closing process (see below)
Minimum 45 days before desired Closing date

BB) LS requests ODA prepare the Final Deed of Agricultural Easement/Final Closing Instructions

LS requests ODA prepare the *Final Deed of Agricultural Easement* and *Final Closing Instructions*. ODA prints the *Final Deed of Agricultural Easement*, obtains the Director's signature, and mails the Final Deed to the LS.

Timeline: This step is a prerequisite to preparing the Escrow package (see below)
Minimum 30 days before desired Closing date

CC) LS prepares Escrow Package

LS prepares the final Escrow Package by assembling all final documents as outlined in ODA's *Final Closing Instructions*.

Timeline: This step is a prerequisite to initiating the Closing process (see below)

DD) LS initiates Closing process and executes ODA final Closing Instructions

LS coordinates the Closing Conference with the title/closing agent, and executes ODA's *Final Closing Instructions*. If LS is participating in the ACEP-ALE program, LS also coordinates those requirements with NRCS. LS notifies ODA of the scheduled Closing Conference date, time, and location.

Per *Final Closing Instructions*, title/closing agent does a final title update after the Closing Conference to ensure no new exceptions have been added to the title of the property. Title/closing agent then records the *Final Deed of Agricultural Easement* (and any additional documents required), and disburses purchase funds to the landowner(s).

Note: If new exceptions appear on the title when title/closing agent conducts the final title update, the closing process shall stop and LS is to contact ODA immediately.

Timeline: Within 90 days of check being deposited into escrow account

EE) LS forwards original recorded documents to ODA

Per the CA, LS forwards final Recorded *Deed of Agricultural Easement*, ODA Title Policy, and other documents to ODA as outlined in ODA's Closing Instructions.

Timeline: No later than 90 days after Closing

FF) LS monitors the Agricultural Easement

LS monitors the Protected Property annually to ensure compliance with the *Deed of Agricultural Easement*.

Timeline: Annually

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