



Pilot Points Based Appraisal Exception Policy & Guidelines for the Local Agricultural Easement Purchase Program (LAEPP) 2016

A Points Based Appraisal (PBA) Exception allows the Local Sponsors (LS) and the Landowner (LO) to request to use an appraisal to set the base value of the easement purchase price instead of using the department's PBA system.

The Director of ODA, at his discretion, shall determine whether to grant this exception. The Director's approval must be obtained prior to the submission of an application during the Local Sponsor's landowner application period (or prior to April 15, 2016) and a copy of such approval shall be submitted with the other required attachments to the application. If approved, LS will receive their notification for a PBA Exception in written format.

If a PBA Exception is granted, LS and LO must agree to the following:

1. LS must select one method for setting the base value of an easement for all farms submitted for consideration in a funding round. They are the:
 - a. Department's PBA
 - b. LS purchased appraisal and when applicable an appraisal review.
2. Ohio Department of Agriculture's (ODA's) purchase price will not exceed seventy-five percent of the value of the agricultural easement base price as per the Ohio Revised Code (ORC) 901.22(D)(1).
3. LS must hire and pay for an appraisal. LS will, at the request of the director, hire and pay for an appraisal review.
4. LS must select an appraiser by following the Ohio Administrative Code (OAC) 901-2 and Ohio Revised Code (ORC) 4763.
5. LS shall provide to ODA documentation of an agreement with an appraiser and/or appraisal reviewer at ODA's request.
6. If the LS also request a Large Farm Value (LFV) Exception for consideration as well on an easement, the Director of ODA may issue a contingent acknowledgment for this additional exception. If the final appraisal review determines that the applicant farm's easement value is greater than \$1 million, ODA will then provide the LS with a finalized LFV Exception.
7. LS must address a letter to each LO included in the funding round notifying them that their purchase price for the easement will be set via a purchased appraisal and include a draft copy of this letter in Attachment K of the LO application.

NOTE: Notification to the LO about the appraisal process can be a line added to the Contingent Notice of Selection (CNOS).

8. LS must submit a complete LO application that includes the following:
 - a. A completed section of former Step 8 "County Auditor Records" that uses and includes copies of current auditor records.



NOTE: Maximum acreage allowed for the easement will be the acreage entered in the LO application.

- b. Final percent of donation denoted

NOTE: The percent of donation entered in the LO application will be used to calculate the final purchase price of the easement based on the amount of the easement value set in the approved appraisal.

- c. A copy of the approved PBA Exception packet included in Attachment K. The packet shall consist of copies of the following:
- 1) The approval letter from the director of ODA
 - 2) These PBA Exceptions P&G
 - 3) The draft letter about the appraisal process signed and/or mailed to each LO that informs them the appraisal process has been selected to set the easement value.

9. LS must complete the Contingent Notice of Selection (CNOS) by the same deadline as required by the OAC and noted in the LAEPP Process Steps.

NOTE: Notification to the LO about the appraisal process can be a line added to the Notice of Selection (NOS) or Contingent Notice of Selection (CNOS).

10. LS electing to send a separate letter to the LO about using the appraisal process to set the easement value shall mail the letter by the CNOS deadline.
11. LS shall provide ODA with an electronic and/or hardcopy of the appraisal within 120 days of the Application Submission Deadline outlined in the appropriate Cooperative Agreement with ODA.

NOTE: Application Submission Deadline is April 29, 2016 for the LAEPP 2016.

12. LS completes a PBA Exception Calculation Worksheet which reflects the maximum easement purchase price and submits it with the appraisal and when applicable the appraisal review.
13. If the director requests an appraisal review, the LS shall submit the appraisal to the appraisal reviewer within 30 days of such request.

LS shall provide a final copy of the appraisal review in either electronic and/or hardcopy format within 120 days of the director's request. LS can request an extension in writing (or via email) with a projected completion date for approval.

14. Once the appraisal and/or appraisal review is finalized, provided to ODA and accepted by ODA, LS shall submit to ODA a Notice of Selection (NOS) for review reflecting the final proposed purchase price based on the approved appraisal and the PBA Exception Calculation Worksheet prior to mailing to the landowner.

NOTE: The final PBA Exception Calculation Worksheet will reflect funding caps outlined in the corresponding Policies and Guidelines for Landowner Application.

15. LS may need to complete other steps necessary to finalize the PBA Exception as deemed necessary by the Director of ODA.

16. After a signed NOS is forwarded to ODA, LS proceeds to next phase as outlined in OAC 901-2-06.
17. LS may request reimbursement of the appraisal and possible appraisal review costs from the LO.