

CALCULATING GRANT AWARDS FOR NCO STEWARDSHIP ACQUISITIONS

(Rev.2/28/2012)

I. When property has been owned by a landowner for THREE YEARS OR MORE the award will be based on the current fair market value of the property as determined by appraisal(s) plus grant-eligible transaction costs. (See s. NR 51.002 (1)).

Note: When the landowners are joint tenants or tenants in common and the landowners have held title for differing lengths of time (e.g.: the property was transferred to a spouse), the ownership date shall be the earliest date of ownership.

II. For property that has been owned by a landowner for LESS THAN THREE YEARS, the grant award will be based on either the current fair market value of the property as determined by appraisal(s) OR the owner's acquisition price plus an annual adjustment increase (see below), *whichever is less*.

A. When the property being sold to the project sponsor is the same as the property purchased by the landowner less than three years ago, the grant award will be calculated according to the following rules: ("Same" means same size, physical condition, and same property interests being sold)

Number of Years Owned	Basis For Determining Land Value
Less than 1 year	Lesser of the landowner's acquisition price or current FMV.
More than 1 year, less than 2	Lesser of the landowner's acquisition price plus 5% or the current FMV.
More than 2 years, less than 3	Lesser of the landowner's acquisition price plus 10% or the current FMV.

Note: The Sponsor must submit an appraisal (and the DNR must order a 2nd appraisal if the estimated property value exceeds \$350,000) even if the grant amount will be based on the price the landowner paid for the property, not the appraised value.

B. When the property being sold to the project sponsor is the same as property acquired but not purchased by the landowner (ie the landowner received the property by inheritance, foreclosure, land trade), then evaluation of the property for grant purposes may involve more than one appraisal. At a minimum, the Department will require an appraisal of the value of the property *at the time it was transferred* to the owner. If it is likely the property has depreciated since that time, the Department may also require an appraisal(s) of the *current* fair market value. The lesser of those two values must be the basis for grant awards.

C. When the property or property interests being sold to the project sponsor are fundamentally different than the property acquired by the landowner, the grant will be based on the current fair market value of the property as determined by appraisal(s). For example:

- The landowner purchased property in fee and the sponsor proposes to buy only an easement or other partial interest.
- The landowner purchased and owns more acres than will be sold to the sponsor (e.g. the landowner owns 40 acres; the sponsor will buy only 20 of those).
- The landowner has made a material change to the property since he or she acquired it, such as brownfield remediation or harvesting the trees.