

2015 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, 2014 – October 15, 2014*

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 13, 2014*

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 19, 2014*

D) LS promotes upcoming landowner application period

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

Timeline: *November 19, 2014 – January 15, 2015*

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.

Timeline: *November 19, 2014 – January 15, 2015*

F) LS submission of localized Step 14 (if applicable)

If the LS is utilizing a non-standard landowner application and localizing Step 14, they are to submit Step 14 questions to ODA for approval.

Timeline: *November 19, 2014 – December 31, 2014*

G) Local Sponsor training

All Certified LS attend mandatory training at ODA.

Timeline: *December 3, 2014*

H) Online Landowner Application available

All LS prepare and enter their online landowner applications.

Timeline: *January 15, 2015 –April 15, 2015*

I) Hardcopy Landowner Application 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.

Timeline: *January 15, 2015 – April 30, 2015*

J) Advisory Board Meeting and recommendations to the Director

The Ohio Farmland Preservation Advisory Board will meet 1-2 times to recommend applications to the Director for funding.

Timeline: *May 6, 2015 (tentative) and June 3, 2015*

K) Director announces Landowner Applications approved for funding

The Director announces those landowner applications approved for funding.

Timeline: *June 5, 2015*

L) LS sends Notices of Selection to landowners

LS prepare (on their organization's letterhead) and send Notices of Selection (standard and 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.

Timeline: *Notice to be mailed to landowners: June 8, 2015 – July 29, 2015*

Original Notice back to ODA: June 8, 2015 – August 28, 2015

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

Per the CA, LS orders title search and title commitment. LS sends title commitment and source documents to ODA for review along with contact information for title agent.

Timeline: *Notice of Selection signed by landowner – October 27, 2015*

N) 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 and templates are available on the LAEPP webpage.

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

O) LS completes Present Condition Report

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 and a template can be found on the ODA forms page.

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

P) LS provides Conservation Plan

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 can fulfill this requirement.

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

Q) Purchase Agreement and Draft Deed of Agricultural Easement

LS requests ODA to prepare and send a Purchase Agreement (formerly the Option to Purchase) and Draft Deed of Agricultural Easement to the landowner. ODA will send the Purchase Agreement within 30 days of request by LS provided the prerequisite steps above have been completed. In order to remain in the program, 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.

Timeline: *Minimum 120 days before desired Closing date*

R) 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.

Timeline: *October 27, 2015 – no less than 90 days prior to Closing*

S) LS requests ODA initiate release of LAEPP Funds

ODA begins State Controlling Board process with finalized Purchase Agreement. ODA notifies LS of State Controlling Board meeting date.

Note: Prior to this step, LS must have completed appropriate paperwork to be set up as a vendor 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*

T) 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 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*

U) 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)*

V) 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*

W) 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.

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

X) LS requests ODA prepare the Final Deed of Agricultural Easement and 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

Y) 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)*

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

LS coordinates the Closing Conference with the title/closing agent, and executes ODA's Closing Instructions. If LS is participating in the ACEP-ALE program, LS also coordinates those requirements with NRCS.

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 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*

AA) 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*

BB) LS monitors the Agricultural Easement

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

Timeline: *Annually*

11-25-2014