

**Application for Funding  
Gallatin County Open Space Grant Program  
Purchase of Conservation Easements on Private Lands with Important Agricultural,  
Natural Resource and Community Identified Values**

**Introduction**

Proposals for funding through the Gallatin County Open Space Grant Program will be considered by the Open Lands Board and the Gallatin County Board of Commissioners in two steps: Level One: Proposal Evaluation and Level Two: Due Diligence.

**LEVEL ONE** reviews substantive issues such as the agricultural, wildlife and community aspects of the property. This review will include a site visit and utilize information provided by the Applicant and the sponsoring qualified land conservation organization (A qualified land conservation organization shall be defined under the Internal Revenue Code).

**LEVEL TWO** review occurs after Open Lands Board (OLB) and County Commissioner approval of the Level One Application and addresses due diligence issues and the transaction documents.

<b>NO APPLICATION SHALL BE ACCEPTED WHERE THE CONTEMPLATED TRANSACTION WAS COMPLETED OR CLOSED BEFORE NOVEMBER 7, 2000.</b>
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All applications should be submitted as a proposal from the Applicant and the Sponsoring Land Trust. This application package contains the following items to be submitted by the Applicant and Sponsoring Land Trust:

- 1. Level One Summary Page**
- 2. Level One Application Checklist, Narratives and Letters of Support**
- 3. Level One Property Description, including proof of current ownership, legal description and maps.**
- 4. Level Two Application Checklist and Due Diligence Items to be Provided**

In addition, the package includes the criteria and rating system used by the Open Lands Board to evaluate applications and compare funding proposals. It is recommended that Applicants and Sponsoring Land Trusts carefully review these materials to ensure that all information is included in the application. Proposals will be reviewed to ensure that County funds are targeted to lands possessing the greatest open lands values and not be used to advance speculative real estate transactions.

While all of the information submitted will be utilized to evaluate an application, the Open Lands Board will utilize six main criteria to compare and rate applications (items 1 to 6 in the Application Checklist). When preparing your narrative addressing the criteria, please provide the information for each category and subcategory in the order listed. If any of the subcategories do not apply, please indicate so in the narrative. Please be aware that your proposal will be evaluated on its own merits and the absence of a particular subcategory does not mean that the

project will not be approved for funding. Incomplete applications will not be reviewed and will be returned. If your application is returned, you will be encouraged to apply for funding in the next cycle.

Applicants that are applying for funds to cover all or a portion of transaction costs (appraisal, legal fees, title, stewardship endowment, etc.) and not the value of development rights must complete a full application. However, since landowners are donating the full value of the conservation easement, they will not be held to the same standard as applications to purchase the development rights. This is because the County will be receiving far greater leverage of its limited funds. However, the OLB must be convinced that the proposal is producing significant conservation benefit as measured by the application criteria for the expenditure of funds to cover transaction costs.

Beginning in May, 2002, applications for funding are accepted twice a year and must be submitted no later than 4 pm on May 15 or November 15 to the Gallatin County Board of County Commissioners in an envelope marked "Open Lands Project Application".

Gallatin County Board of County Commissioners  
311 W. Main, Rm. 300  
Bozeman, MT 59715

These dates are firm except for the first cycle, which shall remain open until June 21, 2002 due to the change in procedures. Applicants are advised that all materials submitted in the application become part of the public record. The Open Lands Board will forward its recommendations to the Gallatin County Commissioners no later than thirty (30) days after the acceptance deadline.

If your proposal is approved for funding following the Level One review, you must then provide evidence of due diligence and final transaction documents to satisfy Level Two. Such information should be submitted according to any conditions identified in the Commissioner's approval of the Level One Application. If you fail to meet the Level Two requirements, funds will not be disbursed. However, you may submit the same proposal for funding consideration in a future proposal cycle.

### **Open Land Project Review Process**

The following is a summary of the steps in the Gallatin County review process:

#### **Level One**

Step 1: Pre-Application meeting with Open Lands Board Coordinator to review application requirements and process and answer questions.

Step 2: Level One application is submitted by landowner and sponsoring land trust. Application includes response to all application questions, application checklist,

proposed easement terms, property information and map, supporting letters and preliminary appraisal. Incomplete applications are returned.

Step 3: Open Land's Board evaluates and reviews the application according to the Gallatin County Open Space Program Criteria and the information supplied by applicant. Review will include a site visit and utilize information submitted by the landowner and sponsoring, qualified land trust.

Step 4: Any County agency that has oversight, including the Planning Board and County legal counsel, shall review the application and provide the Open Lands Board with comments.

Step 5: Open Lands Board meets with the applicant and sponsoring land trust at a scheduled meeting. Issues from the review are raised and discussed. If the application and terms are agreeable to the Board, applicant and sponsoring land trust, the Open Lands Board passes a motion to recommend approval to the County Commissioners. If the quality of the property, terms and/or conditions are unacceptable, the application is denied. If there are outstanding issues, action on approval is put off until issues are resolved and taken up at a later Open Lands Board meeting.

Step 6: County Commissioner Action. The recommended Level One application is submitted to the County Commissioners and reviewed. The Commissioners will take up the recommendation at a business meeting and hearing that has been noticed. The applicant, Open Lands Board and any concerned member of the public shall be permitted to present information on the application. At the end of consideration, the Commissioners shall take action to approve the Level One application, to approve with conditions or to reject the application.

## **Level Two**

Step 7: Applicant submits a Level Two application that includes due diligence items including: final appraisal, purchase agreement, conservation easement document, title commitment, environmental hazard survey and closing arrangements. Incomplete applications will not be accepted.

Step 8: The Open Lands Board and County legal counsel shall review and comment on the Level Two application documents. When these have been finalized and if they conform to the Commissioner's Level One approval, the application shall be forwarded to the Commissioner's for final approval.

Step 9: County Commissioner Action. The County Commissioners shall grant final approval for funding at a regular business meeting as long as all conditions and due diligence requirements have been met.

Step 10: Project closing takes place and County disburses funds.

If you have questions regarding the application requirements, review process, the scoring process or other aspects of the Gallatin County Open Space Program, please contact the Open Lands Board Coordinator C/O Open Lands Board, 311 W. Main, Room 200, Bozeman, MT 59715

**Level One -Application for Funding  
Gallatin County Open Space Grant Program  
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Natural Resource and Community Identified Values  
Summary Page**

**Applicant(s)**

Name: \_\_\_\_\_ Telephone No.: \_\_\_\_\_

Address:

Name: \_\_\_\_\_ Telephone No.: \_\_\_\_\_

Address:

**Property Owners (if different from or in addition to the Applicant(s))**

Name: \_\_\_\_\_ Telephone No.: \_\_\_\_\_

Address:

Name: \_\_\_\_\_ Telephone No.: \_\_\_\_\_

Address:

**Qualified Sponsoring Land Conservation Organization**

Name: \_\_\_\_\_ Contact: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

**Funding Information**

What is the appraised value of the conservation easement's development rights? \_\_\_\_\_

What is the amount of funding you are requesting? \_\_\_\_\_. Are you requesting transaction costs, and if so, how much are you requesting? \_\_\_\_\_.

If leveraging is available or has been applied for, what are the source(s) and amount(s)?

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

**Level One -Application for Funding  
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**Application Checklist**

The following checklist is designed to aid you in putting together your application and in making sure that it is complete. Please make sure that you have provided all the information requested in this application packet for all 11 items.

**Narratives**

For items 1 through 7 provide a succinct narrative description of the information requested. While all of the information will be used to assess the merits of a proposal, items 1 through 6 relate to specific criteria that will be utilized by the Open Lands Board to compare and rate applications. The rating sheet for these items is included at the end of this packet.

1. **General Description.** Provide a narrative describing the size of the ranch or property, the size of the area to be covered by the conservation easement, the number of home sites that will be retained by the owners for future use and water rights appurtenant to the property. Sizable properties with a larger proportion of the property placed under conservation easement, fewer retained home sites and water rights remaining with the land provide greater conservation benefit.
  - 1a. Size of Property or Ranch – what is the total acreage of the property or ranch, including deeded land, leased land, or permitted public land and what is the acreage of each category?
  - 1b. Size of Conservation Easement - what is the total acreage and percentage of the deeded land to be restricted by the conservation easement?
  - 1c. Retained Home sites – Excluding the existing home sites on the property, how many additional home sites do you plan to retain in the conservation easement?
  - 1d. Water Rights – What are the water rights appurtenant to the property and will these rights remain with the property?

2. Provide a narrative describing the **Quality of the Agricultural Resource and its Economic Viability**. The purpose of this category is to determine the quality of the land resource for agricultural production and its potential to stay in agriculture, operating as an economic unit.
  - 2a. Soils Quality– what percentage of the soils in the deeded portion of the property are identified as prime, statewide importance and of local significance according to NRCS criteria?
  - 2b. Amount of Irrigated Land – what acreage and percentage of the proposed conservation easement area is irrigated hay or cropland and/or sub-irrigated pasture?
  - 2c. Average Annual Number of Animal Units Maintained (including cattle, sheep, hogs and dairy cows) – what is the number of average annual animal units (AUM) that have been carried on the farm or ranch during the past 5 years?
  - 2d. Average Annual Crop Production – what is the average annual production of hay and/or alfalfa (tons), wheat and/or barley (bushels) or potatoes (hundred weights) produced on the property?
3. Provide a narrative describing the **Quality of Natural Resources Important to Sustaining Wildlife, Natural Communities and Water Quality**. The purpose of this category is to determine whether the property possesses important wildlife habitat and movement corridors, natural plant communities and water resources that help maintain the quality of surface water and underground aquifers.
  - 3a. Significant Habitat Diversity – does the property contain significant wildlife habitat and plant association types and diversity as defined and identified by MFWP as the interspersed of the following vegetation communities: shrub/grassland, riparian, broadleaf forest, coniferous forest and agricultural lands?
  - 3b. Significant Water Resource, Fishery or Recharge Area – does the property contain a perennial river, stream, water bodies or wetlands that constitute a significant water resource, fishery (according to MFWP criteria) or aquifer recharge area?
4. Provide a narrative describing **Multiple Community Values**. The purpose of this category is to determine whether the property has significant recreational, scenic and public policy values important to the community.
  - 4a. Public Recreational Benefits – does the property provide an important public trail linkage, fishing access, access to public lands or hunting access? If so, is the public access located in an area where recreational access is encouraged by a local plans or regulation, if they exist?
  - 4b. Scenic Values – is the property visible from a federal or state highway, primary county road, or minor county road, and is it considered to be within or near a publicly identified area as having scenic value?

- 4c. Public Policy – is the property located in an area where the preservation of open space, agricultural or rural character is encouraged by an adopted land use plan or regulation? How is the protection of this property consistent with the intent, goals and policies of any applicable land use plans or regulations (please identify)? Are there pressures from encroaching development (please identify)?
5. Provide a narrative describing **Circumstances Affecting Continued Agricultural Operation and/or Maintenance of Natural Values and Functions**. The purpose of this category is to determine if the property is located adjacent to working ranches or significant natural areas and to assess whether the likelihood of continued agricultural activity or protection of the natural area is high.
- 5a. Proximity to Other Operating Ranches or Properties with Significant Wildlife, Fisheries and Natural Qualities – is the property close to other ranches or significant wildlife /natural areas and if so, how close (in miles)?
- 5b. Proximity to Other Ranches or Natural Area Properties Protected by Conservation Easements or to Public Lands – is the proposed conservation easement close to other ranches or significant natural or wildlife areas that are either protected by conservation easements or are located near public lands?
- 5c. Human Resources – is the ranch operated by family members and/or does it provide an opportunity for a new or existing rancher to create or expand an operation to make it more viable?
- 5d. Continuation of Ranching Heritage: Length of Operation of Ranch by Same Family – how long has the same family been operating the ranch?
6. Please provide a narrative regarding **Leverage**. The Gallatin County Open Lands Board seeks to maximize the use of its limited funds by leveraging other financial resources or additional protected property for each project. To evaluate leverage, the Open Lands Board looks at information you provide concerning:
- 6a. Landowner's Contribution and/or Purchase Terms – how much of the value of the development rights is the Landowner willing to contribute and/or how much is the landowner willing to offer in financing and terms below generally accepted market norms (i.e. favorable installment purchase, reduced interest, etc.)?
- 6b. Proposal Partners – what proportion of the total price of the conservation easement will be contributed by a combination of partners including local government, state and federal governments, charitable foundations and non-profit land conservation organizations?
- 6c. Matching Conservation Easements – are there other conservation easements on adjoining or nearby lands being donated with your proposal that would enhance the purpose of your application?

7. Please provide a narrative regarding **Hazardous Materials** (as described by the federal government) that may or may not be located, used, or disposed of on the property.

### **Supporting Letters, Information and Maps**

8. Property Information requested on the accompanying **Property Information Form** including proof of current ownership, legal description, title and maps and supporting documentation provided.
9. Please provide a **Preliminary Appraisal** letter from a qualified appraiser. It is recommended that your preliminary appraisal letter be no more than one year old. A list of appraisal qualifications is on file in the Coordinator's office at 311 W. Main, Room 200, Bozeman, MT 59715
10. Please provide a **Letter of Recommendation** from the Sponsoring Land Conservation Organization that discusses why your project should be approved.
11. Please include a **Letter from the Applicant** describing why the proposal should be approved for funding. This is your chance to describe the importance of your proposal, how it meets the intent of the Gallatin County Open Space program and why it should be chosen above others.

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### **Property Information**

Application must include the following property information:

1. Proof of Current Ownership. Please include a deed or other document that provides proof of current ownership of the property proposed for protection.
2. Legal Description. Please provide the legal description for the property proposed to be protected. The legal description should include the proposed protection area and any adjacent land that is owned by any of the owners.
3. Map and Supporting Documentation. Please provide a map (aerial photo, USGS quadrangle, County GIS, Plat) of sufficient size to clearly show the following types of information relating to the property proposed for protection.
  - a. Property Boundary of property identified in legal description.
  - b. Surrounding property within a one-mile radius of property boundary.

- c. Area of proposed conservation easement.
- d. Areas of deeded land, leased land or permitted land (including identity of lessor or permitting party).
- e. Other conservation easements on Applicant's land or on adjacent properties.
- f. Locations of improvements showing houses, barns, outbuildings, fences, irrigation ditches and any other substantial structures.
- g. Locations of proposed reserved home sites.
- h. Areas of irrigated land and areas of crop cultivation.
- i. Rivers, streams, creeks, wetlands, natural areas and wildlife habitat.
- j. Public trails, proposed trails and public access to public lands or rivers.
- k. Locations of historic features.
- l. Federal or state highways, primary or rural county roads or roads designated by local governments as important scenic areas.

**Level Two -Application for Funding  
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**Application Checklist**

The following eight items relate to due diligence and the transaction documents to complete the project. These should be provided if your application is approved for funding after Level One review. These items must be prepared according to any conditions attached to the Commissioner's approval of the Level One Application.

1. The Conservation Easement Document and Baseline Documentation Report
2. The Title Commitment for the subject property and resolution of any title issues.
3. The Final Appraisal
4. The Purchase Agreement
5. An Environmental Hazard Survey concerning hazardous materials (as described by the federal government) that may or may not be located, used or disposed of on the property.
6. An agreement between the County and the Sponsoring Land Trust regarding joint responsibilities.
7. A Mineral Remoteness letter, if the minerals under the property are owned by third parties, prepared by a qualified geologist in order to ensure that mining is unlikely to take place on the property in the future.
8. A narrative describing the Closing Arrangements –where the closing is to occur, closing participants, settlement sheets, escrow arrangements if required, the cost of closing, etc.

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