

## TAR RIVER LAND CONSERVANCY

### Expected Project Costs

A conservation easement involves a series of complex steps in conjunction with professionals from several fields before reaching its final stage as a donated gift. There are legal, real estate and financial issues that must all be juggled in a way that is appropriate for each particular project. In most cases, the landowner covers the costs associated with these steps; most often, when the landowner is claiming tax deductions on the donation, these costs are also deductible. A comforting statistic is that [tax benefits](#) obtained through the donation are considerably more than the project costs. In cases where the landowner is unable to bear the load of the transaction, or is not comfortable with the financial burden, TRLC may try to locate alternative methods for funding the project.

Before investing a substantial amount of your time and our staff time, TRLC will review the expected costs and discuss with you how they will be funded.

**Legal and other professional fees** – Though TRLC will be the one to draft all the necessary documents, we encourage you to employ your own legal counsel in order to avoid any discrepancies. If your primary motives are that of income tax and estate planning, you should also consider seeking the advice of a financial advisor.

**Appraisal** – In order to claim any type of income tax deduction for the donation of a charitable gift, you will first need to have your land valued by a [qualified appraiser](#). TRLC is not responsible for the cost of the appraiser unless it becomes the appraiser's client, which would put the potential for a tax deduction at risk.

**Baseline Document** – In order to obtain a [federal income tax deduction](#) or N.C. [income tax credit](#) for a conservation easement, the landowner must obtain a document that outlines the physical characteristics of the property at the time of the donation. The document also enables TRLC to maintain a record of what structures and natural features existed on the property when the easement was recorded, thereby enabling TRLC to track any changes, either permitted or prohibited, that take place on the property in the future.

**Survey** – Depending on the quality of existing maps, plats, legal descriptions, the conditions of the boundaries around the property, and the terms of the easement, some survey work may need to take place.

**Staff expenses** – As each project is different, the size and character of your land and the complexity of your particular easement may require varying amounts of work from the TRLC staff. Some projects require extensive staff time to draft documents and conduct review sessions with the landowners and participating parties and may require multiple trips to the property to ensure that the terms of the easement adequately protect the conservation values of the property while also meeting the landowners' long-term land management objectives. TRLC will provide an estimate of the amount of time the project will take and associated costs before embarking, and will also provide progress updates as necessary.

**Stewardship Endowment Contribution** – Given the perpetual nature of easements and associated covenants ensuring the future stewardship of the agreement is critical. In order to fund the annual stewardship reviews, a one-time contribution to the TRLC stewardship endowment fund is kindly requested. The amount requested is different for each project and will be based on the specific terms of your conservation easement. These contributions are considered to be charitable gifts for [federal income tax](#) purposes and therefore are deductible.