



FOCUSED INVESTMENT PARTNERSHIPS

DRAFT APPLICATION LAND ACQUISITION GUIDANCE 2023-2025

Oregon Watershed Enhancement Board

OWEB's Mission

To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Land Acquisition Application Requirements for FIP

For FIP initiatives that include land acquisition projects in their proposed Work Plans, the following attachments must be submitted at the time of initiative-level application for Biennium 1, and at the time of progress reporting (in January of odd-numbered years) for Biennia 2 and 3:

- 1) A summary of each proposed land acquisition project, including the proposed transaction approach and timing, lead organization, restoration objectives, and how the restoration objectives align with the proposed FIP ecological outcomes.

Rationale:

- The work plan submitted with the initiative-level application is the only opportunity for the OWEB Board to consider these perpetual investments.
- Clearly identified projects assist OWEB with appropriately planning for staff workload associated with land acquisition transactions each biennium. This allows staff to provide a higher level of service to grantees.
- Implementation of land acquisition projects are highly dependent upon OWEB's Land Acquisition Coordinator and the capacity of other OWEB staff. A land acquisition project typically requires two or more years from the time the application is submitted to the time the transaction is completed. OWEB staff carefully manage their time to provide grantees with the quick turnaround necessary for real estate transactions. Unanticipated transactions through the FIP program create uncertainty in staff capacity and hinder the ability of staff to respond to grantee requests in a timely manner. Agency staffing issues are addressed through the state budgeting process each biennium. This process is not nimble enough to respond to the fluctuating need of staff to manage unanticipated transaction workload.

- 2) Signed option agreement or letter of intent with each landowner.

Rationale: Land acquisition projects proposed in the Work Plan do not always come to fruition due to lack of agreement with the landowner, intractable due diligence problems, or other obstacles. A significant amount of effort and expense can be put into project development and due diligence before the obstacles are clear. An option agreement provides a level of certainty around the project being viable and demonstrates project readiness to move ahead with the next steps in the due diligence process. A letter of intent is an acceptable alternative to an option agreement if the letter includes a clear statement of the landowner's intention and conditions for signing an option agreement. For example, the letter may state that the landowner will sign an option agreement after they are notified by the FIP partner of the fair market value of the land and agree that the value is acceptable.

- 3) Substitute or additional projects will not be accepted after board approval of the respective biennial Spending Plans in July of odd numbered years.

Rationale: FIP partners have pursued land acquisition projects that are not included in their original, Board-approved work plans. These opportunistic acquisitions are not reviewed or considered by the OWEB board.

- 4) Despite the FIP context, land acquisition transactions are not assured of funding until the FIP partner has met all the funding conditions in the project-level grant agreement.

Rationale: OWEB cannot determine the acceptability of a proposed transaction until the grantee has met all the funding conditions for the project. Once a transaction is complete, it is difficult or impossible to change certain aspects of the transaction, and the grantee may be in the position of being unable to meet any remaining funding conditions. Therefore, FIP partners who complete transactions before meeting all funding conditions for the project do so at their sole risk.