



State of Wisconsin
Jim Doyle, Governor

Department of Agriculture, Trade and Consumer Protection
Rod Nilsestuen, Secretary

November 11, 2009

TO: PACE Council

FR: Vicki Elkin, Policy Initiatives Advisor
Office of the Secretary

RE: Proposed Cost Share Policy for Easements Acquired under the PACE grant program

Based on discussion at the October 21 PACE Council meeting, we are asking the PACE Council to approve the following policy. DATCP staff is proposing that the agency cover 80% of a cooperating entity's transaction costs in acquiring a conservation easement under the PACE grant program. The agency's share of transaction costs, however, would be capped at \$12,000 per easement. DATCP could consider an exception to the proposed cap in the event of extenuating circumstances beyond the control of the cooperating entity. The details of the cost share arrangement would be outlined in a contract between the cooperating entity and the agency.

A question was raised at the Council meeting as to whether DATCP could provide cost share for transaction costs for easements where a cooperating is *not* seeking grant funds to acquire the actual easement. For example, a landowner is donating an easement or the cooperating entity has secured acquisition funds to purchase the easement from other sources.

I spoke with DATCP's legal counsel who confirmed that the agency could provide cost share for transaction costs in these situations. The easement, however, would have to meet all of the eligibility and other requirements of the state PACE program. For example, DATCP would need to be a co-holder of the easement and the cooperating entity would need to enter into a contract with DATCP as it would with any other grant under the PACE program.

We will ask the Council to provide guidance and approve policies for situations when a cooperating is only seeking cost share for transaction costs at the December 14th meeting of the Council.

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