

LCHIP

Land & Community Heritage
Investment Program



MEMO

DATE: January 3, 2019
TO: Council on Resources and Development
FROM: Dijit Taylor, LCHIP Executive Director
TOPIC: LCHIP's Annual Stewardship Incentive Payments

LCHIP's enabling legislation, RSA 227-M, created a monitoring endowment (Community Conservation Endowment or "CCE"), similar to the endowment that supports the Conservation Land Stewardship Program. The purpose of the fund is "to ensure that the resources protected through the program will be managed according to the legal agreements concerning easement interest in the resource." Money is deposited into the fund for each completed LCHIP project, following a formula that is described in detail in the *LCHIP Criteria, Guidelines and Procedures*.

Starting in 2009, LCHIP has made annual payments from the CCE income to grant recipients who have current legal agreements with LCHIP and who have satisfactorily reported on the status of the property protected with assistance from LCHIP. The *LCHIP Guidelines* also explains how the payment amount is to be determined. In essence, an easy to monitor property gets one unit of payment while properties that are more difficult to monitor may get up to four units. The number of projects getting payments changes each year as new projects are completed and as some historic resource projects with term stewardship agreements complete their obligation to the state and are no longer required to report on the status of the resource.

LCHIP considers the payments as incentives to the recipient to continue responsible management of and reporting on the property protected or conserved with assistance from LCHIP. Payments of \$200 per unit have been used since 2013, when the CCE funds were invested at Fidelity through an agreement with the Department of Treasury. See below for details of previous years' payments.

Year Monitored	# of Properties	# of Units	Amount per Unit	Total Payout
2017	243	355	\$200	\$71,000
2016	248	323	\$200	\$64,600
2015	180	282	\$200	\$56,400
2014	157	262	\$200	\$52,400
2013	144	244	\$200	\$48,880
2012	129	222	\$81	\$18,000
2011	117	203	\$20	\$4,100
2010	105	177	\$33	\$5,841
2009	89	179	\$93.50	\$16,736

LCHIP's current count finds that 272 properties had responsibilities to LCHIP during calendar year 2018, representing 395 units. LCHIP staff propose continuing a payment of \$200 per unit for this year's disbursement. Therefore, the total needed is $395 \times \$200 = \$79,000$.

Income from the CCE appears to support this level of disbursement. As of the most recent report (November 2018), the CCE had a total market value of \$4,614,658 and had yielded an increase of \$128,558 since July.

Expenditures from the CCE require approval from both CORD and the LCHIP Board of Directors. The LCHIP Board will be asked to vote in this same request at a meeting scheduled for January 14, 2019.

Proposed Action: CORD endorses an expenditure of \$200 per unit up to \$79,000 from the LCHIP Community Conservation Endowment fund as incentive payments for LCHIP grant recipients who submitted annual reports documenting timely monitoring and acceptable conditions of LCHIP-assisted resource conservation and protection projects in calendar year 2018.