



## **COSTS OF REGISTERING AND MAINTAINING A CONSERVATION COVENANT ON YOUR LAND**

TLC protects conservation values on public and private lands by holding conservation covenants. Covenants are registered at the Land Title and Survey Authority and cannot be removed or modified without the covenant holder's permission. Each covenant agreement is unique and can be worded to protect specific ecological features of your property. Creating the covenant requires collaboration between the landowner and TLC to ensure a proper legally registrable document is produced. Once in place, adequate funds must be committed, preferably by way of an endowment at the time of registration, for monitoring and dealing with any future infractions or breaches. The cost of creating, registering and maintaining a covenant depends on the location, topography, and size of land being protected and complexity of the agreement. All costs are covered by the landowner.

## Associated Costs

SERVICES	DESCRIPTION	ESTIMATED COST
<b>Covenant Drafting</b>	TLC staff draft and edit the covenant in consultation with the landowner. It is reviewed by the Executive Director and TLC's Board of Directors before being approved. Costs include preliminary and follow-up property visits, landowner meetings, negotiations, drafting, revising and finalizing the covenant.	\$1,500 – \$6,000
<b>Baseline Documentation Report and Mapping</b>	The Baseline Documentation Report is required to identify all qualitative and quantitative ecological data and is used as a reference to compare future monitoring to. Mapping the covenant area using GPS determines where sensitive habitat, species at risk, or other important features occur. This document is integral to the proper management and continued protection of the ecological or cultural features of your land.	\$500 per day (\$16,000 - \$32,000)
<b>Legal Survey</b>	A legal survey may be necessary if the boundaries of the covenant area are different from the legal lot survey of the property. This legal survey is also required by the Land Title Survey Authority for the covenant to be registered on the property's title.	\$3000 - \$15,000
<b>Appraisal</b>	If the covenant is eligible for the <u>Ecological Gifts Program</u> administered by Environment Canada, and the Owner wishes to register it as one, an appraisal is required.	\$2,500 - \$5,000
<b>Legal Advice</b>	Review by TLC's lawyer to ensure the covenant is legally sound.  <b>***Please note it is strongly recommended that the Owner seeks independent legal advice on the covenant before it is registered on title. Covenants are dispositions of land and may result in capital gains taxes unless properly recorded in your tax return. Covenants may also reduce the market value of your property.</b>	\$4,000 - \$8,000

<b>Covenant Registration Fee</b>	Registration of the covenant via the Land Title Office.	\$500 - \$800
<b>TOTAL ESTIMATED COSTS</b>	<b>Does not include Endowment or Annual Fee.</b> <b>The cost of a covenant has less to do with the size of the protected area and more to do with the complexity of the agreement language, your legal survey and tax situation.</b>	<b>\$27,500 – \$66,800</b> <b>+ Endowment or Annual Fee</b>
<b>Endowment OR Annual Fee</b>	An endowment placed in a third-party foundation is recommended to ensure annual revenue is available to cover the costs of monitoring and enforcing the covenant. Alternatively, an annual fee can be inserted as part of the covenant which subsequent landowners must pay for monitoring costs (e.g. \$700 or \$2,075 per year, depending on the size of the covenanted area). Currently, TLC receives 5% annually on endowment funds, so a \$15,000 endowment yields \$750 per year.	\$15,000 - \$80,000 OR \$750 - \$4,000/year

## **TLC's Annual Conservation Covenant Monitoring Costs**

*(not including resolving breaches or violations)*

<b>SERVICES</b>	<b>DESCRIPTION</b>	<b>ESTIMATED TIME</b>	<b>ESTIMATED COST</b>
<b>Annual Site Visit &amp; Remote Monitoring</b>	TLC staff conducts annual site visits to ensure the terms of the covenant are being upheld. Establishing vegetation sampling plots and conducting repeat photography to record changes in environmental conditions may occur.	4 - 10 hrs.	\$50/hr.
<b>Mapping &amp; Reporting</b>	Using GPS technology, site visits are mapped and locations of any important features or potential violations can be recorded. Follow-up letters are issued to the Owner after each monitoring visit, outlining the details of the visit and any important observations.	2 - 12 hrs.	\$50/hr.
<b>Database Management</b>	A record of all monitoring visits, photos, and any ecological data are processed and kept in our database.	2 - 4 hrs.	\$50/hr.
<b>Travel Time</b>	Travel costs depend on the location of the covenant and how far TLC has to travel to monitor.	1 – 7 hrs.	\$50/hr.
<b>Legal Advice</b>	To ensure that the covenant is being honoured, TLC occasionally needs to ask a legal question. We budget for one legal question every 4 years.	-	\$125
<b>Travel Costs</b>	Other travel costs that TLC endures are ferry fares, fuel, overnight accommodation, and car insurance.	-	\$50 - \$300
<b>TOTAL COSTS</b>		<b>8 - 33 hrs.</b>	<b>\$625 - \$2,075</b>

**\*\*\* Please Note: Other components to annual monitoring include tools and supplies (e.g. GPS unit, camera, measuring tape, clinometer, compass, etc.), volunteer training, meetings & communication. TLC also uses remote monitoring software to support our conservation efforts. Additional administration costs relating to potential covenant breaches may also occur in future. Restoration action or advice may also be required. These costs are not included in this table but must be accounted for, hence the Annual Fee being higher than the total costs outlined in this table.**