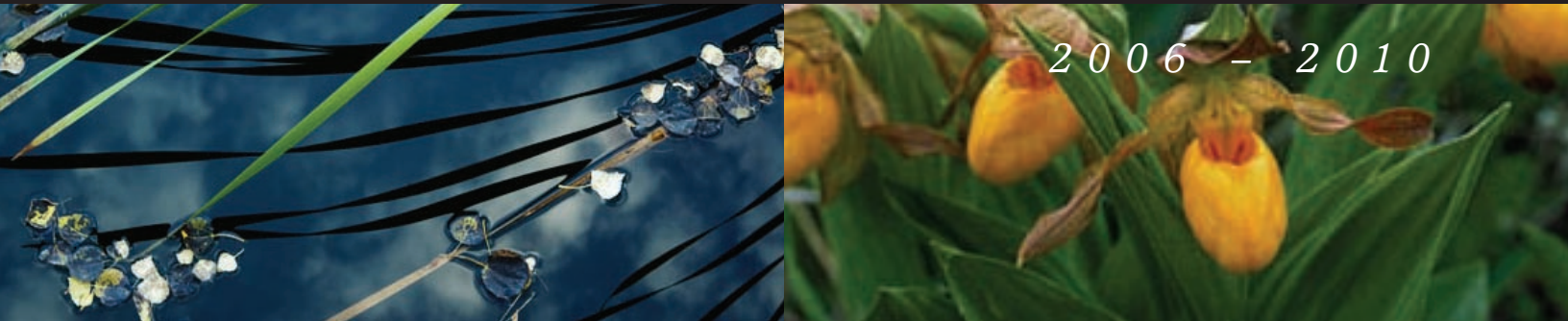




EDMONTON & AREA
LAND TRUST



LAND TRUST BUSINESS PLAN



2006 - 2010

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for the Founding Shareholders of the
Edmonton and Area Land Trust

October 25, 2006





Table of Contents

1. EXECUTIVE SUMMARY	1
2. VISION, MISSION, VALUES, PURPOSE	2-3
3. ORGANIZATIONAL STRUCTURE	4-5
4. BENEFITS & MOVING FORWARD	6
5. STRATEGIC PLAN	7-11
6. FINANCIAL PLAN	12-13
7. RISK MITIGATION	14

I. EXECUTIVE SUMMARY



The Edmonton and Area Land Trust (EALT) is a natural areas conservation initiative that involves a partnership between the City of Edmonton, the Edmonton Community Foundation, the Edmonton Nature Club, the Land Stewardship Centre of Canada, the Legacy Lands Conservation Society and the Urban Development Institute. These founding groups, supported by a broad community interested in natural area systems conservation, have identified the need for a not-for-profit charitable land trust as an important instrument in natural areas conservation within the Edmonton area. The EALT will accomplish this mission through the use of a full range of private not-for-profit charitable tools that may include donations, the purchase of land and the use of conservation easement agreements.

Regardless of the mechanism used for securement, the EALT has as its vision a regional area where natural areas are valued and play a key role in the social, economic and environmental life of the Edmonton area.

To achieve the vision of the community and the environmental stakeholders in the region, the EALT has been established to undertake the conservation role in preserving ecologically important natural areas and their interconnections. This role may expand at some time in the future to include cultural heritage landscapes and trails.

The organization's purpose and operational tools have been publicly discussed and a consensus has emerged for the land trust's mission, guiding principles, geographic area of interest, corporate structure and governance. A financing framework has been established for the short term that will be built upon in the future in order to provide a sustainable financial base for the land trust to achieve its mission.

This business plan for an EALT details how this vision will be realized using the corporate and governance model agreed to through the public consultation process. Operational details to the *Edmonton and Area Land Trust Business Plan 2006-2010* are provided in a companion volume called *A Business Plan for an Edmonton and Area Land Trust – Directors' Workbook*.

The EALT will enhance the public conservation process and bring to present and future residents and visitors of the Edmonton area:

- a specialized set of private charitable land conservation tools and volunteer stewards that will enhance natural areas conservation efforts throughout the Edmonton area;
- a positive not-for-profit partner to the public municipal planning process to help look for opportunities and solutions in natural areas conservation;
- an expanded natural areas system providing direct and indirect social, economic, psychological, spiritual and physical health benefits;
- a charitable conservation agency that can accept and steward donations of money and land from interested landowners;
- a non-adversarial partner to the development industry proactively conserving natural areas systems in designated development areas;
- a new and important participant in the conservation, stewardship and restoration of ecosystems and biodiversity in the Edmonton area.

This four-year business plan describes who does what, when and how much it will cost, and identifies potential sources of revenue for the EALT.

2. VISION, MISSION, VALUES, PURPOSE



vision **VISION**

The Edmonton and Area Land Trust has as its vision an Edmonton region where natural area systems are valued, preserved for future generations and play a key role in the social, economic and environmental life of the residents of the area.

The Edmonton and Area Land Trust will be recognized as a not-for-profit leader in the selection, securement and stewardship of natural area systems, appropriate natural interconnections and cultural heritage landscapes in the Edmonton area primarily for the use, enjoyment or benefit of its present and future citizens.

MISSION **MISSION**

The values that will guide the operations of the land trust will be focused on a *respect* for nature based on its intrinsic value and the value of its ecological goods and services, *best management practices* in all its operations, a *commitment* to meet the needs and be accountable to the community and *leadership* in innovative *partnership* building in the process of planning and delivering its land conservation programs.

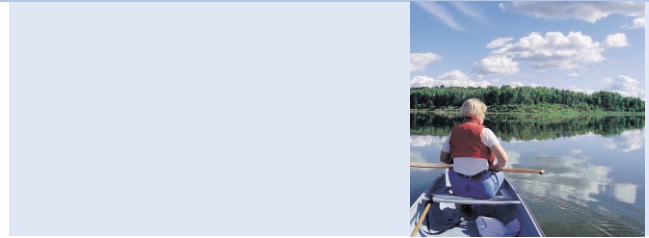
values **VALUES**

2. VISION, MISSION, VALUES, PURPOSE

PURPOSE

To achieve this mission, the Edmonton and Area Land Trust has established a number of specific goals developed through extensive public discussions to guide its operations:

- (a) conserve, protect and restore natural areas of ecological significance within the city and Edmonton area, including water resources, cultural heritage landscapes, natural corridors and appropriate natural interconnections by acquiring or otherwise securing land (including conservation easement agreements) or by funding the acquisition or securement of land (including conservation easement agreements);
- (b) receive and maintain a fund or funds and apply those funds to secure and manage land and support the educational outreach and operations of the land trust;
- (c) advance environmentally sound stewardship among landowners in the Edmonton area and increase their understanding of the ecological value of natural area systems conservation and stewardship pertaining to the area by, among other things, offering seminars, courses, conferences, meetings and programs in connection with land conservation and stewardship;
- (d) increase the public's understanding of natural areas conservation in the Edmonton region through communication activities and selected outreach and education programs; and
- (e) encourage, conduct and fund research as required for understanding the conservation and stewardship of natural area systems and to support land conservation or securement decisions within the greater Edmonton area and disseminate the results of such research to interested parties.



OPERATIONAL PRINCIPLES

Guiding its transactions are the ethical and technical guidelines for the responsible operation of a company under the Alberta *Companies Act* Part IX, the Canada Revenue Agency's rules for charitable organizations registered under the *Income Tax Act* and the standards and practices prescribed by the Canadian Land Trust Alliance (CLTA) in its *Land Trust Standards and Practices* (2005). The CLTA *Standards and Practices* (2005) require the EALT to have:

- a clear mission based on serving the public interest by securing and conserving natural area systems and cultural heritage landscapes with all programs supporting that mission.
- compliance with all legal requirements as a nonprofit charitable organization and all relevant laws and statutes including those relating to the charitable gifts of land or conservation easement agreement in terms of federal and provincial tax law requirements.
- responsible conduct in all affairs of the organization and carrying out all legal and financial responsibilities in an ethical manner.
- policies and procedures in place to avoid or manage real or perceived conflicts of interest.
- philanthropy and fundraising activities conducted in an ethical and responsible manner and a system of managing finances and assets in a responsible and accountable way.
- volunteers, staff and/or consultants with appropriate skills and in sufficient numbers are available to carry out programs.
- internal processes that carefully evaluate and select conservation projects and ensure that every land and easement transaction is legally, ethically and technically sound.
- a program of responsible stewardship in perpetuity for its conservation easement agreements and a program of responsible stewardship in perpetuity for all other lands that it holds.

3. ORGANIZATIONAL STRUCTURE



FOUNDING SHAREHOLDERS/ BOARD OF DIRECTORS

A group of "founding shareholders" made up of key organizations that reflect a diversity of knowledge and expertise have agreed to form a corporation for the implementation of an operational land trust. The founding shareholders are the City of Edmonton, the Edmonton Community Foundation, the Edmonton Nature Club, the Land Stewardship Centre of Canada, the Legacy Lands Conservation Society and the Urban Development Institute. These organizations will ensure that a system of good governance for the EALT will be established and that the mission is met and the community interest is served.

The EALT will be managed by its Board of Directors consisting of five to 11 individuals representing the founding organizations plus representatives from other qualifying organizations as the members may choose to recommend. Voting members in the EALT will be limited to those organizations that have the legal capacity and the ability to deal with the obligations of governing this complex organization. The members will be responsible for electing or appointing new members. The individuals sitting on the Board will be nominated by their member organizations through a process that the organizations themselves will define.

Currently the founding Board consists of representatives from the founding organizations:

- **City of Edmonton**
- **Edmonton Community Foundation**
- **Land Stewardship Centre of Canada**
- **Legacy Lands Conservation Society**
- **Urban Development Institute- Greater Edmonton Chapter**
- **Edmonton Nature Club**

To capitalize on the volunteer interest in natural area protection, the EALT may develop a non-voting group akin to a 'Friends of the EALT' that can be actively involved in the operations of the land trust without legal entitlement to govern the organization.

INCORPORATION

The EALT is being incorporated under the Alberta *Companies Act* Part IX. Canada Revenue Agency (CRA) registration as a charity and registration as a recipient organization under Environment Canada's Ecogift Program and the Alberta *Environmental Protection and Enhancement Act* will be complete by spring 2007.

MANAGEMENT STRUCTURE – THE ROLE OF THE BOARD OF DIRECTORS

The Board of Directors will define policy, exercise oversight and provide strategic direction in the following areas:

Values: the Board will ensure good governance and set the standard for professional conduct through its own behaviour as well as ensure that the standards and practices of the Canadian Land Trust Alliance are met or exceeded.

Mission: the Board will make certain that the mission is shared throughout the organization and is reflected in appropriately planned and evaluated programs and services.

Resources: the Board will ensure that the EALT has adequate resources – human, material, financial – by hiring staff, monitoring the financial health of the organization and assisting in resource development in order to accomplish the mission of the organization.

Outreach: the Board will promote the EALT in the community, secure and maintain ties and serve as a link with members, donors, beneficiaries (the public) and other stakeholders.

3. ORGANIZATIONAL STRUCTURE

BOARD COMMITTEES

Land securement and strategic issues (such as conservation strategies, marketing, philanthropy, and policy) will be governed by the full Board and managed by staff and consultant resources. The Board may appoint committees as necessary for good governance covering the areas of but not limited to:

- **Executive Management**
- **Finance and Audit**
- **Governance, Nominating and Human Resources**

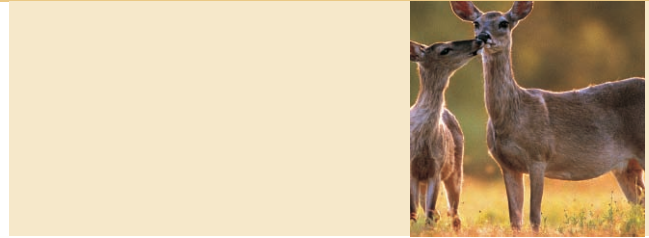
As the organization moves forward, EALT may draw upon incremental expertise through the establishment of *Advisory* committees to support its operations.

Other committees under consideration and discussed with the public at community meetings include a Technical (environmental land management and marketing and fundraising) Advisory Committee and local neighborhood advisory committees to build community relations.

STAFFING

The EALT will operate with staff and volunteers recruited with a focus on those with the entrepreneurial and professional skills required to manage the complexity of a functioning land trust and bring targeted natural areas to final securement. The Board will hire an Executive Director with the skills to manage the organization and hire additional staff as required, such as part-time administrative assistance, part-time development (fundraising) assistance and consulting professionals. As the organization moves forward and becomes actively involved in looking for opportunities and solutions to natural areas conservation, it will move to hiring a full time staff complement. The Board and staff as a functioning unit will have an understanding of, and possess, a wide range of the expertise needed to fulfill its mandate.

The *Executive Director* deserves special mention. This person will be selected and appointed by the Board. Reporting directly to the Board through the Chair, the Executive Director will manage and implement the Board's policies and decisions. With the approval of the Board, the Executive Director will recruit, hire and supervise staff and volunteers as well as establish networks with other non-profit organizations, government agencies and local businesses.



OPERATIONAL TOOLS FOR MEETING STRATEGIC GOALS

A. Private Not-For-Profit Land Trust Activities

The core land trust activities of the EALT will be to:

- Seek and accept donations:
 - of land for conservation purposes;
 - of conservation easement agreements;
 - of money, life estates, bequests and other forms of planned giving;
 - of "trade lands" that may be sold to raise funds for conservation purposes;
- Acquire fee-simple interest in strategic sites by the purchase of land, the purchase of easements, the part purchase/part gift ("split-receipt") of sites.
- Seek community support as the source of volunteers for board members and stewards, as well as funds and land donations.
- Develop a strong and effective public image to gain community support and attract assistance from businesses, foundations and government agencies.
- Build public support by building public awareness, demonstrating successes and fundraising. These outreach and communications activities are a core function in the Strategic Plan. The success of this program will be a major factor in determining the overall success of the regional land trust.

B. Public Sector Planning Tools and Private Not-For-Profit Partnerships

Over the longer term, the EALT will be a positive, proactive organization seeking opportunities and solutions for natural area conservation in partnership with all levels of government. This will require it to:

- seek partnerships with municipal governments in land securement by applying creative ways to secure natural areas sites well beyond the traditional land trust tools of gifts and sales;
- strengthen the institutional framework in which land trusts operate within Canada.

4. BENEFITS & MOVING FORWARD



BENEFITS FOR THE COMMUNITY

Through the implementation of a proactive approach to conservation, the EALT will provide both direct and indirect benefits to the area.

The EALT offers landowners and developers a:

- non-adversarial partner to the development industry, proactively conserving natural area systems before they become designated development areas;
- the opportunity to acquire conservation lands through voluntary landowner initiatives including land purchases or gifting;
- charitable agency dedicated to land conservation in perpetuity, capable of providing tax benefits to individual donors.

The EALT offers the municipality:

- a positive not-for-profit partner to the public municipal planning process helping look for opportunities and solutions in natural areas conservation;
- a specialized set of private charitable land conservation tools and volunteer stewards that will enhance natural areas conservation efforts throughout the Edmonton area;
- increased opportunities for nature interpretation and education in the classroom and community context;
- a charitable conservation agency that can raise incremental funding and accept and steward donations of land from interested landowners;
- a new and important participant in the conservation, stewardship and restoration of ecosystems and biodiversity in the Edmonton area;
- more opportunities to reduce storm water management costs;
- higher property taxes for properties with proximity to these appealing spaces.

The EALT offers the community at large:

- enhanced opportunities to access, experience and enjoy natural areas within an urban and suburban environment;
- an expanded natural areas system providing direct and indirect social, economic, psychological, spiritual and physical health benefits including ecological goods and services that provide life support systems for society.

MOVING FORWARD

The EALT start-up Board is committed to moving forward on the following:

- incorporate the EALT as its start-up Board, register the EALT as a charity which is accepted federally and provincially as a conservation land trust, while ensuring a policy manual is in place for its own operations;
- provide a clear mission agreed to by the Board that supports the acquisition of land and the long-term stewardship obligations of land ownership;
- ensure an endorsed Business Plan containing a strategic plan and a system for long-term development and stability is in place;
- undertake a landscape evaluation for Edmonton and the surrounding region, adopting protection priorities and site selection criteria for evaluating and prioritizing potential sites for protection, including a "project profile" for the types of projects which the EALT can undertake;
- ensure a process for each land transaction that is sound from a fiscal, legal, ethical and public relations standpoint;
- evaluate all aspects of risk management and insurance needs;
- expand community support, which is recognized as vital to the EALT's success. It is recognized that the broader community is the ultimate beneficiary of the activities of the land trust; and
- seek skilled and experienced staff.

6. FINANCIAL PLAN



COST CENTRES

In general, the EALT's initial expenses will be divided into:

Incorporation Costs: (\$5,000) which are the one-time costs associated with a NUANS search, provincial (Part IX of the Alberta Companies Act) incorporation, CRA registration and Ecological Gift and EPEA recipient status and legal assistance in incorporation.

Core Services Costs: \$125,000 in the Start-up Year (One) with shared office overhead and moving to \$275,000 + as a fully functioning land trust. These are the annual expenses of delivering program activities that fulfill the mission of the organization or build internal capacity. Internal fund development meets increasing resource needs.

Site-specific Transaction Costs: (\$3,000 to \$15,000 per site). The protection of each site has its own roster of related costs depending if securement is by fee simple acquisition, by an easement or some other means. Generally the costs for each land transaction require some or all of these items: appraisal(s), legal assistance, title search, site inspection, survey, confirmation of planning compliance (tax arrears, zoning, etc.), registration fees, etc. which can be upward of \$15,000 per site with appraisals, surveys and legal assistance being the expensive items. Donors often pay for some of these costs as well as provide a stewardship endowment that would be held in a restricted account by the EALT.

Program and Project Costs: Funding will vary depending on programs. Land trust activity will be funded through donations and capacity building grants until an individual donor base is established. Program grants from government or philanthropic foundations will assist in fulfilling the goals and objectives related to education and outreach.

CONSOLIDATED BUDGET

Expenses – Start-up Year One:

Start-up using a partnership model hosting the Edmonton and Area Land Trust

PROJECTED EXPENDITURES	COST
Salaries & Benefits	\$95,000
• Executive Director	
• Part-time administrative staff	
Office Operations	\$9,500
based on shared office model	
Consulting Fees	\$8,000
(legal, environmental audits, etc.)	
Outreach & Marketing	\$6,500
• Promotional brochures	
• web design, launch and maintenance	
• advertising	
Transportation, Meeting & Site Visits	\$1,000
Land Transaction costs	\$5,000
TOTALS	\$125,000

Expenses – Years Two to Four:

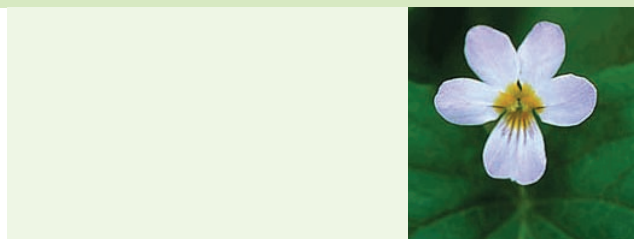
CORE EXPENSES (full complement)	Amt Yr 2	Amt Yr 3	Amt Yr 4
Salaries & Benefits	176,000	190,000	195,000
Office Operations	26,000	30,000	30,000
Consulting Fees	21,000	10,000	2,000
Marketing & Communication	5,500	6,000	9,200
Resource Development	10,000	10,000	10,000
Transportation, Meeting & Site Visits	3,000	4,000	6,000
Land Transaction & Management Costs	6,000	7,500	8,800
Other Operational Expenses	27,500	27,500	29,000
TOTAL \$	275,000	285,000	290,000

6. FINANCIAL PLAN

REVENUE SOURCES FOR THE EDMONTON AND AREA LAND TRUST

Revenue is being secured to cover the costs of the start-up of the land trust plus core operating funds for three years. At that time, the trust and its activities will be well known. Then there is the expectation that multiple revenue sources will allow the achievement of self-sufficiency.

The optimal fiscal management approach is to develop an endowment that contributes enough annual resources to support core operations and potentially support land acquisitions that may not have a specific donor.



The Edmonton and Area Land Trust will increase funds by accessing several sources listed below for its operations and stewardship.

MULTIPLE REVENUE SOURCES POTENTIALLY AVAILABLE FOR EDMONTON AND AREA LAND TRUST OPERATIONS

	DESCRIPTION	COMMENTS
1. INSTITUTIONAL GRANTS AND SPONSORS		
Government	Federal grants	start-up funds; workshop funding
	Provincial support	capacity building and matching / challenge funds site acquisition
	Municipal support	start-up funds; partnerships for site purchase; workshop support; outreach support; in-kind; stewardship contracts; land donations for conservation or "swaps"
Philanthropic Foundations	Grants - project	program funding (for stewardship, research, education); site-specific purchase grants; stewardship grants
	Grants (capacity building)	outreach grants; data base development; priority areas identification
Corporate	Grants	for stewardship; discretionary donations; for land purchase
	Sponsorship	for workshops; printed material; riparian rehabilitation
	In-kind	printing costs; furniture; auto
Service Clubs	Stewardship Grants	events payments
	Site Acquisition	donations
Other Nonprofits	Site Acquisitions	matching funds or contributions
	Site Partnership	BDR assistance; stewardship partners; monitoring partners
2. MAJOR INDIVIDUAL DONORS: Donation of property, funds, securities, planned giving, wills, annuities		
3. EVENTS: Conferences; special events; galas		
4. LAND TRANSACTIONS as a source of Revenue		
		<ul style="list-style-type: none"> Sales of surplus non-natural or unrestorable sites Sale of land protected by an easement to a "conservation buyer" Sale of "trade lands" - lands donated specifically for future sale (caution will be exercised in using this tool as a source of funds for financing) "Transfer Fees" when conservation (easement) agreement properties are sold Stewardship fees from a "fee for service" system for stewardship services on land that is publicly owned

7. RISK MITIGATION



Land ownership and land trust operations have associated risks to the organization, its staff, volunteers and Board that requires due diligence. They have been considered and will be mitigated as outlined.

PUBLIC LIABILITY

- General liability insurance for third party claims will be carried when land is owned by the EALT and a minimum amount of \$5 million will be carried by the organization.
- Local stewards for the EALT will also be required to carry \$2 - \$5 million in the Stewardship Agreement signed with the EALT.
- Events planning will be covered by appropriate liability insurance.
- Conservation (easement) agreements will be written to ensure that the property owner maintains adequate comprehensive general liability insurance and that the property owner indemnifies the conservation land trust holding the easement.

DUE DILIGENCE - SITE ANALYSIS

- Rigorous due diligence with each and every land transaction will be undertaken using an environmental site assessment as a standard practice.

DONOR ASSURANCES

- Donors will be assured that their donation will be protected in perpetuity;
- In the unlikely event of the dissolution of the EALT, the Office of the Public Trustee (Alberta Justice) will ensure the assets of the organization be transferred to an organization with similar objectives.
- Conservation easement agreements may be held by the EALT on land transferred to a local charitable organization. This is a useful securement tool should there be any possibility that the local organization may cease to be.

DIRECTOR'S LIABILITY

- The bylaws will provide for indemnity for costs and liabilities incurred for Board and members (other than those resulting from willful neglect or default) and appropriate insurance policies are factored into overhead costs.