

# Mad River Path ASSOCIATION

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## LANDOWNER INFORMATION

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### **Purchases of Trail Access Easements**

We recognize that not all landowners are in the financial position to donate trail access easements. Therefore, in some situations, the Path Association may purchase trail access easements.

The Path Association will consider purchasing a trail access easement only in situations where the purchase would provide a meaningful connection within the Path system by connecting two existing sections of path or by connecting public lands, roads or other publicly accessible locations. Often times, no single parcel will provide a direct link between desired locations. In those cases, we will work simultaneously with multiple landowners to secure easements in order to create the desired link.

#### **Purchase Price**

The Path Association's policy is to pay the fair market value of trail access easements. This policy is in place as a result of IRS regulations and Vermont law. The policy also insures that all landowners are paid a fair price that can be substantiated.

In order to determine the fair market value of a trail access easement it is necessary to have an appraisal conducted by an independent real estate appraiser. The Path Association will pay for the cost of the appraisal. Agreeing to have an appraisal conducted does not obligate you to convey a trail access easement to the Path Association.

A review of appraisals prepared for other trail access easements in Vermont indicate fair market values ranging from \$1.27 per linear foot of trail to \$11.90 per linear foot of trail.

#### **Tax Impacts**

The IRS and Vermont Department of Taxes may consider any compensation you receive in exchange for a trail access easement a taxable capital gain. Therefore, before selling a trail access easement, we encourage you to talk to your tax advisor in order to understand the tax ramifications of a sale.

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*Supporting Community, Ecology and Health through Public Pathways.*

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## **The Process**

Below is a snapshot of the typical process involved in selling a trail access easement. Each parcel and landowner is unique, so this process will vary from property to property.

1. The landowner agrees to have an appraisal conducted.
2. An appraisal is completed (3-4 months).
3. The landowner and Path Association agree on a purchase price and sign a Purchase and Sale Contract (2 months).
4. The Path Association works to obtain funding for the purchase from grants and donations (8-12 months).
5. The Path Association prepares, for the landowner's review, a baseline documentation report and a management plan (simultaneous with fundraising).
6. Closing; the trail access easement is officially conveyed to Path Association and recorded in the land records.
7. The new path is constructed by the Path Association.

## **Other Landowner Information Bulletins:**

- Trail Access Easements
- Trail Management
- Landowner Liability