



Natural Resources

Forestry Transition Land Acquisition Program Guidelines for Applicants April 2008

In October 2007, the Government of Nova Scotia announced the creation of the Forestry Transition Program. One aspect of the program allows the Crown to work with viable forestry companies to acquire parcels of industrial forest land that are considered by the companies to be surplus to their needs.

The Land Acquisition Program gives forestry companies that are operating in Nova Scotia an opportunity to sell some of their non-essential land assets to the Department of Natural Resources at fair market value. The Government has earmarked \$20 million dollars to be spent over five years for these land acquisitions. These acquisitions will allow the province to augment its Crown land base.

A Program Principles

1. Letters of request will reviewed in the order they are received and then will be prioritized by the Forestry Transition Land Acquisition Program steering committee. Applicants will be informed of their relative priority and the time frame in which they may expect to be able to complete the transaction.
2. All acquisitions will be completed following established Department of Natural Resources land acquisition policies and procedures, including the following:
 - a. Land must be appraised and purchased at fair market value;
 - b. Lands must be reviewed by regional staff to assess integrated resource management values; and
 - c. Lands must be unencumbered - DNR will not enter into any lease or license-back arrangements with the vendor companies.
3. No minimum or maximum caps will be established for the amount of land that may be considered for sale/acquisition.
4. Sawmills and pulp mills will be eligible to sell lands under the program, however sawmills will be given priority over pulp mills.

NOTE: The amount of money available for purchases under the Forestry Transition Land Acquisition Program will vary somewhat from year to year and will be allocated over the full five years of the program. It is planned that the \$20 million total funding will be distributed in annual allotments of \$4 million. As a result, not all land that is offered will be purchased and some companies will be required to wait for up to five years to sell land to the Department of Natural Resources under this program. Companies approved under the Forestry Transition Land Acquisition Program may apply to borrow money from the Department of Economic Development Industrial Expansion Fund pending the acquisition of their lands by Natural Resources.

B Application Process

1. A forestry company requesting consideration under the Forestry Transition Land Acquisition Program must provide the following information in a letter:
 - a. An estimate of the market value of the surplus lands that the company is prepared to sell to the province;
 - b. The time frame in which the company wishes to conclude the sale;
 - c. A list of the lands that the company is prepared to offer for purchase by the Crown. For each parcel being offered, the following information is required:
 - i. The parcel identification number (PID);
 - ii. The location of the parcel by county;
 - iii. The total acreage/hectarage for the parcel;
 - iv. Information on the land registration status of the parcel:
 - Migrated into the land registration system,
 - Migration is in process, or
 - Migration has not yet been started;
 - v. Any available survey, or mapping information;
 - vi. A copy of any forest management plan that is in place or any forest inventory information related to the parcel;
 - vii. Any additional information that the company has respecting the parcel that may assist regional staff of the department in evaluating the lands (e.g. forestry/timber, habitat values, water frontage, wetlands, inventory information);
 - viii. Disclosure of any structures, known hazards or environmental issues associated with the lands; and
 - ix. Any information related to Mi'kmaq interests or use associated with the land
2. All letters of application must be sent to the Executive Director of Land Services, Department of Natural Resources, P.O. Box 698, Halifax NS B3J 2T9 and will be processed in order of the date received.
3. All requests will be reviewed and prioritized by the Forestry Transition Land Acquisition Program Steering Committee, which is comprised of representatives from Natural Resources, Economic Development and Nova Scotia Environment.

C Assessment of Land Value

1. For each parcel being offered for sale, Department of Natural Resources regional staff will conduct a preliminary Integrated Resource Management (IRM) assessment. This process will include:
 - a. Identification of any environmental and/or safety issues associated with the parcel;
 - b. Assessment of the suitability of the land for forestry, recreation, wildlife habitat, waterfront or other uses; and
 - c. Description of the location of the parcel in relation to other Crown land.

Time Line: A preliminary IRM review normally takes approximately two - three weeks to complete, however could take longer depending on the work load of regional staff.

2. Upon receipt of the preliminary IRM report, land administration staff will requisition appraisals (Accredited Appraisal Canadian Institute - AACI) for those parcels that they determine are suitable for acquisition. To assist in reaching a fair determination of value (including timber values), much/all of the information provided by the forestry company as part of its application will be provided to the appraiser.

Time Line: An appraisal can take as much as two to three months to complete, depending on the location and accessibility of the parcel, and the appraiser's workload.

3. A copy of the appraisal report (valuation) will be provided to the forestry company for review. The company and Natural Resources staff will discuss and reach agreement on values. If no agreement on valuation can be reached for specific parcels, the parcels will not be acquired.

Time Line: Review, discussion and agreement on values will take one to two weeks.

4. After final review by Natural Resources staff, an Agreement of Purchase and Sale (Letter of Offer) based on the lands and values agreed to by both the Crown and the company will be prepared and forwarded to the forestry company. This offer is contingent on approval by Executive Council. A copy of this letter is also provided to Nova Scotia Economic Development if the forestry company has received a loan from the Industrial Expansion Fund.

Time Line: The agreement will be prepared within one to two weeks.

5. Land title for all lands being acquired must be certified and the land migrated into the land registration system prior to closing. All land acquisitions must be approved by Cabinet, and are subject to the availability of capital funding.