



United States Department of the Interior

NATIONAL PARK SERVICE

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WASHINGTON, D.C. 20013-7127

IN REPLY REFER TO:

L1425(767)

Memorandum

To: Regional Directors and Project Manager,
Appalachian National Scenic Trail

From: ~~ACTING~~ Director

Subject: Guidelines for Transactions Between Nonprofit
Conservation Organizations and Federal Agencies

Questions have surfaced concerning the precise meaning of certain portions of the Guidelines for Transactions Between Nonprofit Conservation Organizations and Federal Agencies published in the Federal Register August 10, 1983, a copy of which is attached for your ready reference. The questions specifically concern the letter of intent and disclosure requirements of the guidelines. This memorandum is intended to clarify those requirements. In addition, since the guidelines contain no direction on appraisals, this memorandum gives direction on appraisal requirements in nonprofit transactions.

Letter of Intent

In each case in which a nonprofit organization or other entity (hereafter referred to as nonprofit) seeks prior assurance from the National Park Service of eventual Service acquisition of the land in question, or when the Service requests the assistance of a nonprofit, the Service's expectations shall be stated in a letter of intent to the nonprofit, and receipt of and concurrence in the letter must be acknowledged by the nonprofit. The letter should include as a minimum:

1. An identification of the land or interest therein desired by the National Park Service.
2. The estimated or appraised value, if known (appraisal matters are discussed in more detail below).
3. An estimate of the date by which the Service may be expected to acquire the land or interest from the nonprofit.

4. A statement indicating that the nonprofit is free to dispose of the land or interest in question if the Service is unable to acquire it by the estimated date (see 3, above) or, if the Service declines to acquire the land by that date for policy or other reasons, the nonprofit is without liability to the Service.

There will be instances in which a nonprofit acts on its own initiative without requesting prior assurance and in the absence of a direct request for assistance from the Service. As soon as the Service learns that a nonprofit is attempting to acquire an interest in land in an existing unit of the National Park System, or in proposed additions or new areas, the Service shall immediately forward the nonprofit a letter requesting information on the nonprofit's intentions.

Should the nonprofit decline a letter of intent or in any way indicate refusal to abide by it or to otherwise disregard the National Park Service's requests, the Service will forward the nonprofit a letter disavowing the nonprofit's actions and disclaiming any obligation to acquire the nonprofit's interest.

Disclosure

In all instances in which the National Park Service will be acquiring land or an interest in land through a nonprofit and the nonprofit will hold no more than an option on the property until closing, i.e., will not own title prior to a binding Federal commitment to purchase, a full disclosure of all the nonprofit's financial arrangements in the transaction shall be a pre-condition of the Service's purchase. Such disclosure shall include but not be limited to:

1. All terms of the nonprofit's option, including the amount of cash the nonprofit will pay for the property.
2. Any and all other considerations involved in the transaction, including commitments the nonprofit may have made to the landowner.
3. Any and all appraisal data available to the nonprofit.

Appraisals

Unless an exception is approved by the Director, National Park Service, the appraisal on which the purchase from a nonprofit is to be based shall have been obtained and approved by the Service. Where the Director approves an exception, an appraisal obtained by a nonprofit shall be approved by the National Park Service before

the nonprofit's commencement of negotiations with the landowner on the basis of that appraisal. The appraisal shall be submitted to the Service for review sufficiently in advance, generally 30 days, to enable the Service to make a thorough review.

Responsibility

Because of the potential for controversy, no agreements with nonprofits, formal or informal, should be made by Field managers or their staffs. Any need to involve a nonprofit in the land acquisition process shall be transmitted to the appropriate Regional Director, who will prepare and personally sign a letter of intent. The Regional Director shall make the decision on the price to be paid the nonprofit and, as indicated above, no binding commitment to purchase shall be made until the necessary disclosure requirements have been met.

The Regional Directors shall advise the Director of any nonprofit involvement and shall furnish copies of all letters of intent and other correspondence with nonprofits.

The foregoing applies to nonprofit involvement in boundary expansion or new area proposals as well as in existing units of the National Park System. Additional caution must be exercised, however, to insure that any dealing with a nonprofit with respect to a proposed expansion or new area is consistent with the Department's position on the proposal.

Revised guidelines will be published in the near future.

Please furnish copies of this memorandum to your Superintendents. If you have any questions concerning this memorandum or the guidelines, please call Willis Kriz, Chief, Land Resources Division, at 523-5252.



Attachments