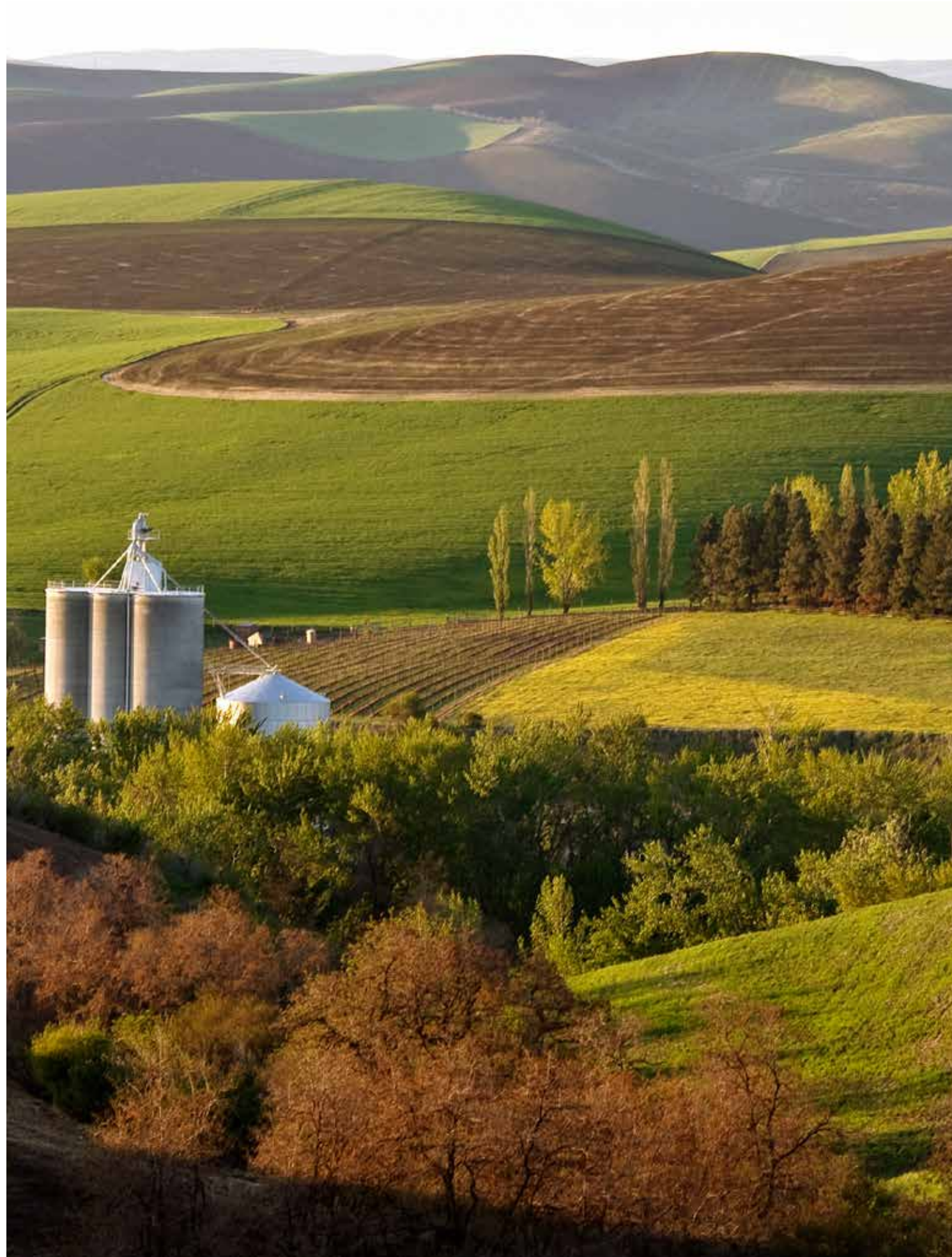


YOUR LAND, YOUR LEGACY

**A landowner's guide to private land conservation
in partnership with the Blue Mountain Land Trust**



If you own land, you know what makes your property special - its scenic beauty, its productivity as farmland, or its value as fish and wildlife habitat. Maybe all of these things.

If your lifetime goals include protecting your land's unique values so they can be enjoyed forever, the Blue Mountain Land Trust can help you make that happen.



Titus Creek

When Carl and Sonia Schmitt retired to Walla Walla, their rural home was surrounded by everything that Sonia, a Walla Walla native, always loved about the area. But within a few years, Carl and Sonia saw the lush forests and productive farmland surrounding their home threatened by new development. When neighboring landowners announced plans for new houses and a private airstrip in a wheat field next to their home, Carl and Sonia knew they had to act fast to protect their way of life.

Carl and Sonia successfully bought their neighbors' land and stopped its development. But they knew this was a temporary solution – the land would be protected only as long as they owned the property. They wanted to protect their land permanently. To do that, they united with other local individuals concerned about the future of land use in the area and formed the Blue Mountain Land Trust. Its founding mission became partnering with landowners to protect natural areas, scenic views and working farmland from development.

When the Blue Mountain Land Trust was formed, Carl and Sonia donated a conservation easement on their property to the land trust, ensuring their 69 acres would remain as forests and farmland forever. This easement permanently protects the sensitive riparian area along Mill Creek and Titus Creek, preserving important fish and wildlife habitat. It also protects the property's agricultural use, ensuring it will be farmed for many years. Achieving multiple goals – protecting sensitive areas while encouraging continued use of productive land – is now typical of Blue Mountain Land Trust easements.

Walla Walla, Washington



Carl and Sonia Schmitt

Why Protect your Land?

Ensuring your land will be properly cared for beyond your lifetime takes sound planning. Will your heirs be forced to sell your land, either to pay estate taxes or to divide the estate among them? This is a major concern for agricultural property, where the high value of large parcels can lead to very substantial estate taxes.

Do you want to preserve forever the scenic beauty or unspoiled habitat on your land and ensure that future owners will never destroy those assets? Are you concerned that the productivity of your land could be lost to development, diminishing the agricultural base of this region? Do you want your land's special characteristics – values you've worked hard to enhance – protected forever when your property changes hands?

The Blue Mountain Land Trust works with landowners concerned about their land's future. Our goal is to protect the things that make this area special – unspoiled fish and wildlife habitat, economically productive farmland and rangeland, and beautiful scenery. We work with landowners to meet their goals: to keep productive land in

production, to preserve unique natural features, and to facilitate the transfer of land to the next generation. We believe landowners know best how to plan for their land's future. Your vision for your land is what drives our work.

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Dark Canyon

Union County, Oregon

Joe and Patricia Cunha's 3,000-acre ranch outside of La Grande boasts everything you could ask for in a rural landscape: productive grazing land for cattle, spectacular views of the surrounding mountains, herds of deer and elk roaming the forested hillsides, and crystal-clear tributaries of the Grande Ronde that provide vital spawning grounds for salmon and steelhead. This land has been in Joe's family for generations, and he and Patti hope to someday pass it on to their children.

The Cunhas have carefully managed their property for many years to balance productive cattle grazing with the preservation of the fish and wildlife habitat on the property. Their concern for the continued stewardship of their property led them to work with the Confederated Tribes of the Umatilla Indian Reservation and the Blue Mountain Land Trust to ensure the long-term protection of these resources. Patti sums up how well the land trust's interests align with theirs: **"Everything the land trust wants for the property, we want as landowners."**

Today, a conservation easement on the Cunhas' property restricts future development and ensures that the fish and wildlife habitat Joe and Patti have worked so hard to maintain will be preserved forever. With funding through the Confederated Tribes of the Umatilla Indian Reservation and the Bonneville Power Administration, BMLT was able to purchase the conservation easement. The financial benefits of the sale will also give the Cunhas flexibility in their estate planning and help them keep the land in their family.



Flexible Conservation Tools

Gift or Sale

An outright gift or sale of all or part of your land to a qualified land trust is the simplest way to ensure that your land's special values are protected forever.

An accredited conservation landholder like the Blue Mountain Land Trust can own and manage your land to protect its unique values in perpetuity, whether those values are scenic views, rich wildlife habitat, or productive working land. A gift of land may have substantial tax benefits. In some cases, BMLT can purchase land with exceptional conservation value.

Conservation Easement

A conservation easement is an agreement between a landowner and a land trust that creates voluntary limits on the landowner's use of the land. An easement permanently limits the land's use by the current and all future landowners. However, the landowner retains title to the land, as well as all rights that were not specifically rescinded in the easement.

Every conservation easement is tailored to the landowner's plans for their land, making it a flexible and practical option for people who want to protect the the land they love.

Planned Gifts

Planned gifts are another option for landowners engaged in estate planning. A conservation easement or outright title to land can be left in a will. Alternately, a gift can be made during the owner's life, but the donor can retain the right to use the land. Planned gifts can be effective tools for securing the future of your land without diminishing your use and enjoyment of it during your lifetime.



Touchet River

Dayton, Washington

Larry and Barbara Fairchild chose their 100-acre site on the Touchet River because of its natural beauty. The largely-untouched forest along the river provides habitat for an abundance of wildlife, and the river contains critical spawning habitat for salmon and steelhead.

Because they had been drawn to the land's natural setting, the Fairchilds wanted to enhance that aspect of their property. For several years, Larry and Barbara worked with the Columbia Conservation District to restore salmon habitat on their property, planting willows along the banks and restoring pools in the stream channel. On the advice of the Conservation District, they also contacted the Blue Mountain Land Trust to learn more about preserving this valuable habitat.

After consulting with Blue Mountain Land Trust staff, Larry and Barbara chose to pursue a conservation easement that would extinguish all development rights outside the existing home site, permanently protecting the unspoiled natural areas on the property and the restoration work the Fairchilds had completed.

The Fairchilds sold this conservation easement to BMLT for the full value of the unused development rights. Because of the property's high-quality fish habitat, the Snake River Salmon Recovery Board funded this purchase.



Larry and Barbara Fairchild

Benefits of Conservation Easements

Land Protection

The most important benefits of conservation easements are the protections they provide to your property's unique values. Easements can be structured to protect valuable wildlife habitat, open space, or productive land. They can also create substantial financial and tax benefits to landowners.

Tax Savings

Landowners who donate a conservation easement may be eligible for an income tax deduction based on the value of the easement, subject to IRS regulations. A conservation easement may also reduce property taxes and estate taxes, particularly if development rights are extinguished as part of the easement.

Income

Blue Mountain Land Trust may purchase an easement for its fair market value. When this occurs the landowner receives a lump sum payment rather than an income tax deduction. This can be an especially attractive option for owners of agricultural land, who can receive a payment for

unused development rights while continuing to farm the land. Landowners can also choose to sell an easement for less than market value, receiving both tax benefits and a payment.

Succession Planning

A conservation easement can be an effective estate planning tool, as it will often reduce estate taxes on the property. This can help the heirs avoid having to sell the property, allowing family farms and ranches to be passed on intact to the next generation.

How Conservation Easements Work

Blue Mountain Land Trust uses conservation easements to protect a variety of resources. Working land easements protect farms, ranches, and timberland from development while allowing the land's productive use to continue. Habitat conservation easements can preserve or enhance important fish, bird, and wildlife habitat. In many cases, easements can preserve both habitat and working land, providing protection for the most sensitive parts of a property while encouraging continued use of its productive areas. Conservation easements can also be used to preserve scenic areas, water resources, or other important land values.

A conservation easement is a voluntary partnership between a landowner and a land trust, not a surrender of property rights. The landowner and land trust work together and agree on rules to guide future land use while preserving the land's unique values. The landowner is compensated for easement through fair market payment or by substantial tax benefits.

What Rights are Affected?

A typical easement will limit subdivision and development of the property, while allowing existing uses to continue and provide for planned future development. If the landowner wants to protect exceptional fish or wildlife habitat, the easement will typically restrict activity within those areas.

Most conservation easements allow for agricultural use of the property, especially when the land has been used productively for many years. For productive farmland facing development pressure, easements can prevent development and ensure that farming on the land continues. In forested areas, "working forest" easements can also allow continued commercial timber harvesting.

Some very important property rights are not generally affected by a conservation easement. You remain the sole owner of your property. Your property can still be sold, leased, or inherited, which is why many landowners use conservation easements as part of their estate planning. Typically, easements do not require public access to your land.

Conservation easements can be customized to exactly fit your property and your plans for the future. We can work with you to create an easement that protects all of your property's special values while you keep the freedom to use it as you wish.

How Are Easements Valued?

The fair market value of a conservation easement is determined by an independent appraisal. The appraiser first determines the total value of your property as it stands today. Then, the value of the property is estimated as if it was limited by an easement. The difference between these two appraisals is the value of the conservation easement.

An Example

Harry and Rachael Anderson own a 500-acre farm that could be divided into ten 50-acre parcels for development. The appraised value of their property with these subdivision rights is \$3,000,000.

The Andersons want to stop all subsequent property owners from dividing their property and ensure it remains a working farm. The appraiser estimates that removing subdivision rights through a conservation easement would reduce the property's market value to \$2,400,000.

The conservation value of the easement is the difference between these two appraised values - \$600,000. In this case the easement could be purchased by the land trust for up to \$600,000 or the Anderson's could gift the easement and claim a \$600,000 charitable deduction.

Many factors can affect the value of an easement: the size of the property, the number of development rights affected, and any determinations made about future land use.

Who We Are

The Blue Mountain Land Trust was founded in 1999 by local citizens who were concerned with the changing land use in their communities. We are a non-governmental organization operated by members of the communities we serve. Our volunteer board members work tirelessly to preserve this region for future generations.

Our office is located in Walla Walla, and our service area includes Walla Walla, Columbia, Garfield, and Asotin counties in Washington, and Umatilla and Union counties in Oregon. We are carefully considering the expansion of our conservation mission into Grant, Wheeler, Gilliam, Sherman and Morrow counties in Oregon.

Staff

Executive Director: Tim Copeland
Conservation Director: Jason Bulay

Walla Walla Office

6-1/2 North Second Avenue, Suite 304
Walla Walla, WA 99362
509-525-3136
bmlt@bmlt.org
www.bmlt.org



Creating a Conservation Easement

The creation of a conservation easement begins with a thoughtful discussion between the landowner and the land trust about the agricultural, conservation, and scenic values of the land and the landowner's plans for its future. If a conservation easement is an appropriate way to protect the land and meet the landowner's goals, there are several major steps in creating a conservation easement.

1. Following the initial meeting, the land trust will complete a conservation assessment outlining the unique values of the land, some options for protecting those values, and the potential financial and other benefits to the landowner.
2. With the conservation assessment in hand, the landowner and the land trust meet again (possibly a number of times) to develop in principle the major components of an easement.
3. At the same time, the landowner decides whether to donate the easement or ask the land trust to purchase it. A purchase may be concluded for fair market value or for a "bargain sale" of a lower amount, in which case the landowner will also be eligible for tax benefits. The advice of a tax professional is invaluable in determining the tax consequences of selling or donating an easement and helping the landowner receive the full benefits of the transaction.
4. If the landowner wishes to sell the easement, the land trust must identify a source of funds to purchase it. In most cases, this will be a federal or state grant program. Past BMLT easements have been funded through the Washington Wildlife and Recreation Program, Salmon Recovery Funding Board, and Bonneville Power Administration.

It often takes a year or more to secure funding for an easement purchase. The land trust will provide a detailed timeline when a funder is identified. Donated easements can be completed more quickly, since the land trust does not have to pursue acquisition funding.
5. The land trust will draft a conservation easement – the legal document reflecting the agreed-upon restrictions and reserved rights – for the landowner to review. Because a conservation easement is a complex document involving land use rights, BMLT advises landowners to retain the services of an attorney to review the proposed easement. If necessary, changes and clarifications are made in the draft until the landowner and land trust agree on the easement's final language.
6. Whether the easement is donated or purchased, an appraisal is necessary to establish the value of the easement. An independent appraiser will estimate the property's value without the easement in place, and then with the limitations on land use defined by the easement. The difference in the two estimates is the market value of the easement and is used to determine the purchase price or the tax deduction. If the easement will be purchased, the funder will often pay for the appraisal as well. If the easement will be donated, the landowner is responsible for the cost of the appraisal.
7. A professional survey of the property is often necessary to locate the property boundaries and any designated-use areas defined by the easement. Like the appraisal, the survey is often paid for by grants, but is otherwise the responsibility of the landowner.
8. Before the easement's completion, the land trust will complete a baseline inventory documenting the condition of the property. This document is used to guide future stewardship of the property and serves as a reference in the future.
9. After the easement is signed by the landowner and the land trust, it is recorded with the county and becomes permanently attached to the property, ensuring that the land's unique values are protected forever.
10. If the easement is purchased, the landowner will receive a payment from the Blue Mountain Land Trust. If the easement is donated, the landowner will receive income tax, estate tax and property tax benefits subject to IRS and state regulations.
11. To offset some of the expenses incurred by the land trust in completing an easement and to fund the land trust's ongoing monitoring obligations, BMLT asks landowners to make a stewardship donation when the easement transaction is closed. The amount of this tax-deductible gift is based on the needs of each easement and is explained in the conservation assessment at the beginning of the easement process.



Mud Creek

Dixie, Washington

Don Schwerin's family has been farming their land in the hills above Dixie for almost 100 years. Sprawling over nearly 500 acres, the Schwerin farm exemplifies the scenic beauty of the Blue Mountains' foothills. Wheat fields covering most of the property are broken by forested hillsides that provide a home for many species of birds and wildlife. Plum, cherry, and apple trees grow along its three creeks. Don's love of his land is obvious. As he gives a tour, he stops periodically to point out interesting plants and wildlife, tend to the seedlings he has planted and share a handful of ripe cherries with his visitors.

In recent years, Don and his wife Anne-Marie have been troubled by new development on farmland surrounding their home. "I guess it's an old-fashioned idea," Don says, "but I want the land to stay the way it's been."

To ensure the things they love about their land wouldn't be lost, the Schwerins conveyed two conservation easements to the Blue Mountain Land Trust. The first easement protects the property's existing homesite and prohibits any development outside a designated building envelope. The second easement encourages continued farming of the wheat fields and protects wildlife habitat along the creeks and hillsides.

Don and Anne-Marie donated the first easement. They chose to sell the second easement but for less than full value. Funding for it was secured through the Washington Wildlife and Recreation Program's Farmland Preservation program. In this case, the Schwerins received both a tax benefit and a substantial payment.



Don and Anne-Marie Schwerin

A Partnership for the Future

A conservation easement on your land is a partnership between you and the Blue Mountain Land Trust that ensures our mutual stewardship goals, defined by the easement, are achieved.

When the easement is acquired the land trust assumes responsibility for long-term easement stewardship. In most cases we visit the land annually and complete a comprehensive monitoring report. The landowner and land trust communicate regularly about any changes to the land, work together to enhance existing resources on the property, and address threats such as invasive weeds. If we find activity inconsistent with the easement, we will contact the landowner to discuss the situation and work toward a solution that will maintain the easement's integrity.

In accepting an easement, the land trust assumes the long-term costs of monitoring and legally defending the easement. To help fund these expenses and the costs of creating the easement, we ask landowners to make a donation at the time of the easement signing. The easement needs will be reviewed with the landowner early in the conservation process.

Our Conservation Mission

The Blue Mountain Land Trust protects many different types of land, but a desire to preserve the landscape that make the Blue Mountains special drives all of our work. We strive to protect land that is exemplary for its scenic beauty, natural resources, fish and wildlife habitat, and contribution to the area's agricultural economy. Most importantly, we work in partnership with the people who know the land best – the owners.

What are your land's unique assets that you want to protect forever?



6-1/2 North Second Avenue
Suite 304
Walla Walla, WA 99362
509-525-3136
bmlt@bmlt.org
www.bmlt.org