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ConserveLand

A Publication by the Pennsylvania Land Trust Association



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"PALTA's Conservation
Easement Assistance
Program (CEAP) has allowed
us to close and consider
projects that would have
been otherwise difficult or
impossible."

Dulcie Flaharty, Executive Director Montgomery County Lands Trust

CEAP Helps Land Trusts Conserve 6,153 Acres

The Conservation Easement Assistance Program (CEAP), has helped land trusts conserve 6,153 acres in 13 counties over the past two years.

Through CEAP, land trusts may apply to the Pennsylvania Land Trust Association (PALTA) for up to \$5,000 in grant funding to help cover the transaction costs associated with conservation easement donations and bargain sales.

Rick Koval, Land Protection Special-

ist for the North Branch Land Trust (NBLT), knows well the Since the launch of CEAP November 2003, **NBLT** obtained has **CEAP** grants for nine conservation easement projects. "I am certain", Koval says, "that without **CEAP** many

land conservation easements would never have been completed and thousands of acres of land in Pennsylvania would never have been conserved." CEAP is intended to help in situations where the easement donor is unable or unwilling to cover transaction costs.

Andy Loza, PALTA Executive Director explains, "A goal of CEAP is to promote better stewardship. If CEAP funding can enable the easement donor to make a much larger stewardship endowment donation than otherwise possible, that's great."

Continued on Page 7



NBLT protected Warriors Path with help from the Conservation Easement Assitance Program. This conservation agreement not only protects wildlife but significant archeological areas that contain Native American Indian artifacts and a trail used by Indians and early settlers. (Photo courtesy of North Branch Land Trust)

Stay informed of what's happening around the state and nationally with Conservation News Clips, refreshed each weekday, at conserveland.org

Total Acreage Under Easement

1434 conservation easements are held by 43 land trusts across the state.

- Brandywine Conservancy
- Western Pennsylvania Conservancy 2
- Lancaster Farmland Trust
- Natural Lands Trust
- Wildlands Conservancy
- Farm & Natural Lands Trust of York Cty 6
- Berks County Conservancy
- Heritage Conservancy 8
- French & Pickering Crk Conservation Trust
- Northcentral Pennsylvania Conservancy 10
- Delaware Highlands Conservancy 11
- Tinicum Conservancy
- Montgomery County Lands Trust
- Land Conservancy of Adams County
- Willistown Conservation Trust
- North Branch Land Trust 16
- 17 Pocono Heritage Land Trust
- Lancaster County Conservancy
- Central Pennsylvania Conservancy
- North American Land Trust
- Clearwater Conservancy
- Wissahickon Valley Watershed Assn
- Merrill W. Linn Conservancy
- Friends of the Nat'l Parks at Gettysburg
- Countryside Conservancy
- Pine Creek Valley Watershed Assn, Inc.
- Manada Conservancy 27
- Bedminster Land Conservancy
- Lebanon Valley Conservancy 29
- Allegheny Land Trust
- Pennsbury Land Trust 31
- Pennypack Ecological Restoration Trust
- Open Land Conservancy of Chester Cty 33
- Eden Hill Conservancy
- Montour Trail Council
- Conservancy of Montgomery County
- Schuylkill County Conservancy 37
- Kennett Township Land Trust
- Lower Merion Conservancy
- The Wallace Trust
- Lackawanna Valley Conservancy
- Somerset County Conservancy
- Fox Chapel Area Land Trust

Total Acreage Transferred to Government for Conservation

Over 215,000 acres have been transferred, over time, to government by land trusts.

- Western Pennsylvania Conservancy
- Wildlands Conservancy
- 3 Northcentral Pennsylvania Conservancy
- Seneca Highlands Conservancy
- 5 Central Pennsylvania Conservancy
- 6 Armstrong County Conservancy
- Lancaster County Conservancy
- 8 Friends of the Nat'l Parks at Gettysburg
- Farm & Natural Lands Trust of York Cty
- Natural Lands Trust
- 11 Berks County Conservancy
- 12 Lower Merion Conservancy
- 13 Westmoreland Conservancy
- 14 Clearwater Conservancy
- Montgomery County Lands Trust 15
- Wissahickon Valley Watershed Assn
- 17 Allegheny Valley Land Trust
- The Wallace Trust
- Mount Nittany Conservancy

Ranking Pennsylvania Land Trusts...

These lists rank land trusts in two very different measures: (1) by total acres protected over all time; and (2) by number of transactions in 2003 alone. The 2003 figures, in particular, demonstrate the robust conservation work of Pennsylvania's medium and small land trusts and their tremendous impact on protecting Pennsylvania's landscapes.

Total Acreage Owned & Managed

Over 38,000 acres are owned & managed by Pennsylvania land trusts.

- Western Pennsylvania Conservancy
- Natural Lands Trust
- 3 Brandywine Conservancy
- Wildlands Conservancy
- Lancaster County Conservancy
- Heritage Conservancy
- Allegheny Land Trust
- Allegheny Valley Land Trust 8
- Wissahickon Valley Watershed Assn
- Pennypack Ecological Restoration Trust
- Central Pennsylvania Conservancy
- Berks County Conservancy
- Somerset County Conservancy
- Southern Alleghenies Conservancy
- Roaring Run Watershed Association
- Open Land Conservancy of Chester Cty
- Mount Nittany Conservancy
- Hollow Oak Land Trust
- Conemaugh Valley Conservancy
- Westmoreland Conservancy
- Montour Trail Council
- Little Sewickley Creek Watershed Assn
- Edward L. Rose Conservancy
- Allegheny Valley Trails Association
- Armstrong County Conservancy
- Loyalhanna Watershed Association
- Pocono Heritage Land Trust
- Seneca Highlands Conservancy
- North Branch Land Trust
- Countryside Conservancy
- Cumberland Valley Rails to Trails Council
- French & Pickering Crk Conservation Trust
- Willistown Conservation Trust
- North Fork Conservancy
- 35 Lackawanna Valley Conservancy
- Scott Conservancy
- Pine Creek Valley Watershed Assn, Inc.
- 38 Merrill W. Linn Conservancy
- Fox Chapel Area Land Trust
- Pine Creek Land Conservation Trust
- Kennett Township Land Trust
- 42 Chartiers Nature Conservancy
- Manada Conservancy
- West Vincent Land Trust, Inc.
- 45 Friends of the Nat'l Parks at Gettysburg
- Mid-Atlantic Karst Conservancy, Inc. Neighborhood Gardens Association
- Clearwater Conservancy
- Land Conservancy of Adams County
- Northcentral Pennsylvania Conservancy

of Conservation Easement Transactions in 2003

In 2003, 108 conservation easement transactions were completed.

- Lancaster Farmland Trust
- Brandywine Conservancy
- Willistown Conservation Trust 3
- Heritage Conservancy
- Natural Lands Trust
- Wildlands Conservancy
- Land Conservancy of Adams County
- 8 Tinicum Conservancy
- Berks County Conservancy
- North Branch Land Trust
- Farm & Natural Lands Trust of York Cty
- Montgomery County Lands Trust
- Countryside Conservancy
- The Wallace Trust
- Western Pennsylvania Conservancy
- Central Pennsylvania Conservancy
- Merrill W. Linn Conservancy
- Delaware Highlands Conservancy Pine Creek Valley Watershed Assn, Inc.
- 19 Lower Merion Conservancy
- Schuylkill County Conservancy
- Clearwater Conservancy

of Land Acquisitions in 2003

Pennsylvania land trusts acquired 30 properties in 2003.

- Montour Trail Council
- Western Pennsylvania Conservancy
- Lancaster County Conservancy
- North Branch Land Trust
- Central Pennsylvania Conservancy
- Southern Alleghenies Conservancy
- Allegheny Land Trust Lackawanna Valley Conservancy
- Natural Lands Trust
- 10 Wissahickon Valley Watershed Assn
- Hollow Oak Land Trust Montgomery County Lands Trust
- Heritage Conservancy
- Pine Creek Land Conservation Trust
- Farm & Natural Lands Trust of York Cty
- Scott Conservancy

Source: Land Trust Alliance Census Data, 2003 with a few corrections by PALTA. National organizations are not included in the statistics or rankings.

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Land Trust Work in Pennsylvania

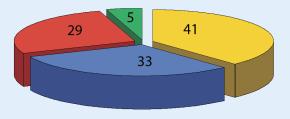
One hundred Pennsylvania-based land trusts are working across the Commonwealth. Fifty-seven percent (57%) of these organizations were founded since 1990. Sixty-one percent (61%) of land trusts reported over 100 financial supporters and over 55,000 Pennsylvanians are members of a local land trust.

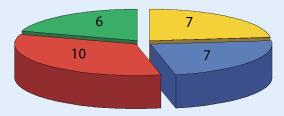
	<u>Total</u>	<u>Percentage</u>
	<u>by Size</u>	<u>by Size</u>
Large (≥ 10 employees)	8	9%
Medium (4 - 9 employees)	10	11%
Small (1 - 3.5 employees)	25	28%
Very Small (< 1 employee)	46	52 %

Sixty-four Pennsylvania land trusts have reported completing a conservation transaction.

of Conservation Easement Transactions in 2003

of Land Acquisitions in 2003





By the end of 2003, Pennsylvania land trusts reported a total of 394,872

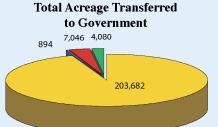
acres protected through a variety of means.

Total Acreage Under Easement

16.325

Total Acreage Owned in Fee

28.699

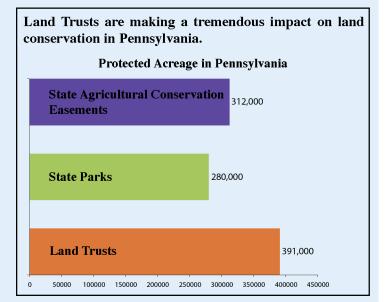


Pennsylvania land trusts have been making great strides in their practices but there is still room for improvement. Land Trust Standard & Practices 11c calls for easements to be monitored at least annually.

77,918

72% of land trusts have achieved this practice. **Percentage of Land Trusts Monitoring Easements Annually** 909 78% 80% 67% 70%

60% 50% 50% 40% 30% 20% Medium **Small** Very Small Large 10%



Source: Land Trust Alliance, 2003 with a few corrections from PALTA.

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An Interview with Senator Rick Santorum

on conservation tax benefits & land trusts



PA Land Trust Assn: Voluntary land conservation plays a key role in helping local communities protect special places. Pennsylvania's local land trusts have conserved roughly 400,000 acres of productive farm, forest, wildlife habitat and other lands. How do you feel about land trusts and their work?

Rick Santorum: Local and regional land trusts in Pennsylvania have played a key role in conserving land for its natural, recreational, historical and open space purposes. I have heard the growing concern from my constituents about the loss of open space in local communities and I am pleased Pennsylvania land trusts have stepped up to the challenge. Land trusts are very closely tied to the communities in which they operate, and these communities are turning to land trusts to conserve land.

PALTA: Conservation easement donors currently can deduct up to 30% of their adjusted gross income per year, for up to 6 years. This is a good incentive to help the wealthy landowner make a generous but difficult decision to conserve their land. However, families who are land-rich but cash-poor receive little tax incentive for their profoundly generous conservation gifts, which may be worth 10 or 20 times their annual income. Is this sensible public policy? What should the federal government do to promote voluntary land conservation?

RS: The current tax code gives greater value for monetary donations over land donations, in effect penalizing those land-rich families who want to contribute to conserve land. I have worked with my colleagues to enact changes to that policy in both my CARE Act, and in the recently Senate-passed Tax Relief Act of 2005, S. 2020. I am hopeful these changes will become law in 2006.

PALTA: How will your CARE Act, which you co-introduced with Senator Lieberman (CT), impact charitable giving and land conservation? What is the likelihood that this legislation with its conservation provisions will be enacted into law?

RS: The CARE Act, introduced in both the 108th and 109th Congresses, is important unfinished business. In the 108th Congress, more than 1,600 small and large organizations from around the country endorsed the CARE Act and 23 bipartisan Senators were cosponsors. The CARE Act would make it easier for donors to realize the full value of their donations. Currently, conservation easement donors can deduct up to 30% of the adjusted gross income (AGI) per year, for up to 5 years. The CARE Act would permit donors to deduct up to 50% of their AGI for up to 15 years. Farmers and ranchers would be allowed to deduct up to 100% of their AGI for 15 years. The CARE Act would also exclude 25% of the value of the sale from capital gains taxes when landowners sell land to qualified conservation organizations. Similar provisions are included in S. 2020.

PALTA: To prevent abuse of conservation easement tax benefits, PALTA supports enactment of stricter rules for appraisals and appraisers as well as increased IRS scrutiny of purported conservation donations. (See http://conserveland.org/features/irstaxincentives) In contrast, the Congressional Joint Committee on Taxation proposed eliminating abuse by essentially eliminating the tax benefit. What do you feel is the appropriate way to deal with potential abuse?

RS: There has been talk in Congress about the potential elimination of fair market value deductions for the general contribution of property to charities. In March 2005, I wrote

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to Senate Finance Committee Chairman Charles Grassley of Iowa stressing the importance of supporting conservation initiatives and the need to carefully evaluate the impact these proposals may have on conservation. I also urged the Chairman to address easement abuse and fraud without discouraging legitimate conservation activities.

I urged my colleagues to critically analyze the implication these proposals may have during the June 8, 2005 Senate Finance Committee hearing. During this hearing, I highlighted the fact that limits on fair market value deductions can have a serious impact on conservation initiatives. I also underscored the importance of preserving farmland and other land resources as a critical way to encourage smart growth and combat urban sprawl.

Finally, when this issue came before the Senate Finance Committee in November as part of the Budget Reconciliation process, I noted my concerns with the proposal included in the original draft. I knew the concerns because I reached out to the Pennsylvania land trusts and asked for their input. With that information, I received a public commitment to make necessary changes. Thankfully, The current language strikes the appropriate balance.

PALTA: Is the work of land trusts understood in Washington? How can land trusts better communicate their many success stories?

RS: I think it is important for lawmakers to understand how tax policy can be quite helpful to conservation and open space issues. Land trusts have been supportive of tax policy that will encourage people to donate and preserve land.

Land trusts are making a huge impact in preserving open space. In 1950, only 53 land trusts operated in 26 states. To-day, more than 1,500 land trusts operate across the country in every state in the nation. Land trusts are becoming more creative in their effort to conserve land in the communities they serve. I encourage land trusts to make sure lawmakers are aware of their efforts and see the evidence of their progress. I look forward to continue working with these admirable organizations in the future.

To read the entire interview with Senator Santorum, please visit conserveland.org.

Conservation Tax Benefit Update

In Fall 2005, the U.S. Senate passed legislation (S. 2020) that included a significant expansion of the tax deduction available to landowners who donate a conservation easement.

S. 2020 would extend the carry-forward period for tax deductions from 5 to 15 years and raise the cap on conservation deductions from 30% of a donor's income to 50% -- and to 100% for farmers. The bill also includes a variety of changes in the law affecting charitable contributions, including a much needed tightening of the rules on appraisers and appraisals of donated property and a significant tightening of the rules on donations of easements to protect historic structures.

The House counterpart of this bill does not include the conservation incentive.

PALTA will keep you updated on important issues impacting conservation through e-mail alerts and through updates at conserveland.org. To receive PALTA e-mail alerts, simply sign up at conserveland.org/lists.

Reason # 247 to visit conserveland.org Model Documents

Download model documents & commentary for Pennsylvania Conservation Easement, Riparian Forest Buffer Protection Agreement and Water Quality Improvement Easement

Reflections

"All of us have an obligation to see that the land we inhabit is not needlessly despoiled before our children and grandchildren have had the opportunity to enjoy what we have enjoyed."

-Temma & Mark Berg

Excerpted from *In Their Own Words* (an upcoming PALTA outreach publication)

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Transfer of Development Rights in Pennsylvania

A Q&A by John Theilacker, Brandywine Conservancy

TDR is a flexible zoning tool that redirects development away from sensitive resource lands (sending zones) and to more appropriately planned areas (receiving zones).



Q. How are TDRs allocated within the sending zone?

A. TDRs are typically allocated to each parcel or tract of land within a zoning district as "so many development rights per acre". Some municipalities with TDR provisions allocate these rights based on the parcel's gross acreage, while others "net-out" physically constrained lands or other built lands before allocating development rights.

Q. Are all allocated development rights sold at once?

A. No, unlike the sale of an agricultural easement, TDRs can be sold in varying amounts. Upon severing, however, development rights are permanently conveyed. A map or other legal document is filed with the municipality showing where the development rights originated from. This also prevents their reuse.

Q. Once purchased, do TDRs have to be immediately used?

A. The answer depends on who initiates the transaction. Private-market transactions usually occur because the TDR buyer intends to immediately put the TDRs to use in a receiving zone development. Under a TDR scenario in which a municipality initiates the TDR buy, purchased TDRs are often "banked" for future sale by the municipality, or retired altogether.

Q. Isn't it true that the TDR tool really hasn't worked in Pennsylvania?

A. There are both TDR success stories and failures, but the reasons why TDR has often failed are now better understood. For TDR to work, the community must want to conserve natural or cultural

resources, while at the same time, be willing to accept land development in some part or parts of their community (or region, if planning at the regional level). TDR cannot be mandated in PA, so it must be the most attractive option offered to a landowner or a developer within the zoning districts where sending and receiving zones are established. Municipalities should add TDR to their toolboxes along with other equally important tools, such as conservation easements and open space financing.

Q. Is the buying and selling of TDRs limited to the private market?

A. No, municipalities or their municipal land trusts are buying TDRs from prioritized farms or other properties, often to avoid losing the property to a development proposal. In some cases, TDRs are resold by the municipality for use within a local receiving zone. In another case, purchased TDRs are precluded from use within the municipality, but may be offered for use on a more regional basis.

Q. How is the value of TDRs determined?

A. For private transactions, the sale value of a TDR is based on the utility of using those rights for a receiving zone development. Not all residential TDR uses within a receiving zone

development bear the same market price. For public purchases, the sale value of a TDR is based either at, or less than, the fair market value determined through a qualified appraisal. In some municipalities that function as TDR brokers and banks, TDR value is intentionally set below fair market value to encourage purchase.

Q. Must TDRs be limited to use in residential receiving zones only?

A. No, TDRs may be used to increase square footage of commercial and industrial buildings in non-residential receiving zones.

Q. May municipalities transfer development rights across their boundaries?

A. Yes, recent amendments to the Municipal Planning Code enable the inter-municipal transfer of development rights from "rural resource areas" to "growth areas" where participating municipalities have adopted a multi-municipal plan, have joint-zoning, or have formed an intergovernmental agreement.

Learn more on TDRs!

Transfer of
Development Rights:
Turning Obstacles
into Opportunities

Friday, April 28th

in conjunction with the
2006 Pennsylvania
Land Conservation
Conference

Learn more at conserveland.org

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Conservation Easement Assistance Program (cont'd)



The Northcentral Pensylvania Conservancy protected the Lyons Farm and an adjacent parcel with the help of the Conservation Easement Assistance Program. "CEAP has been a tremendous help", explains Renee Carey, NPC Executive Director, "allowing us to recover some of the costs associated with conserving Penns Woods." (Photo courtesy of Northcentral Pennsylvania Conservancy)

Continued from page 1

"However, we don't want a land trust applying for CEAP funds without first trying to secure a cash donation from the landowner."

CEAP is made possible through generous grants by the William Penn Foundation and the Bureau of Recreation & Conservation, Department of Conservation & Natural Resources (DCNR) Growing Greener Program.

"CEAP is a unique partnership between DCNR and PALTA that enables us to be more economical and efficient in fulfilling our mission to conserve and protect Pennsylvania's open space and natural resources," said Larry Williamson, DCNR Deputy Secretary of Conservation and Engineering Services.

To learn more about the Conservation Easement Assistance Program, visit conserveland.org.

Fact

People living near parks and other natural areas live healthier lives with fewer hospital visits.

Endangered by Sprawl: How Runaway Development Threatens America's Wildlife, National Wildlife Federation, 2005 – www.nwf.org

"Without CEAP many land conservation easements would never have been completed and thousands of acres of land in Pennsylvania would never have been conserved."

Rick Koval, North Branch Land Trust

CEAP Expansion Planned

PALTA is working to expand the Conservation Easement Assistance Program to:

- 1. fund the amendment and restatement of older easements
- 2. fund sign installation on easement properties
- 3. fund baseline documentation for older easements that lack or have inadequate baselines

You can learn the latest about the Conservation Easement Assistance Program by visiting *conserveland*. *org*.

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Wissahickon Valley Watershed Assn.



105 Locust Street, Suite 300 Harrisburg, PA 17830-1453

ConserveLand Editor, Nicole Faraguna nfaraguna@conserveland.org

We envision a prosperous Pennsylvania, where every person and community knows that their treasured green places will endure. We envision a Commonwealth where the lands that guarantee our water quality are safeguarded; where every child and adult can safely play at a nearby park; where our productive farmland and forests are protected, securing our food and timber supply; and where wild places are preserved for wildlife.

More than seventy-five conservation organizations make up the Pennsylvania Land Trust Association.

4th Annual Pennsylvania Land Conservation Conference

April 28-29, 2006 & Penn Stater Conference Center Hotel & State College, PA



Friday Seminars

- Conservation Easements: Preserving Family Lands instructed by Stephen J. Small, Esq.
- Transfer of Development Rights: Turning Obstacles into Opportunities
- Fundraising: Making Friends with Funders
- Ethics & Conflicts of Interest
- Land Conservation 101

Saturday Sessions

Saturday will be packed with 24 ninety-minute workshops and roundtables that will inform and challenge.

Friday Evening Keynote Address - Stephen J. Small, Esq.

No conference is complete without a passionate and informed keynote speaker. Stephen J. Small, whom many recognize as the nation's leading authority on private land protection, will provide the keynote address on Friday evening on *Current & National Issues Impacting Conservation*.

Learn more and download registration materials at conserveland.org