



LANDSCAPE CONSERVATION TAKES \$\$\$\$\$

**How Conservation Easements
are Revolutionizing Habitat Protection
and Management in the United States**

Wildlife Management 101

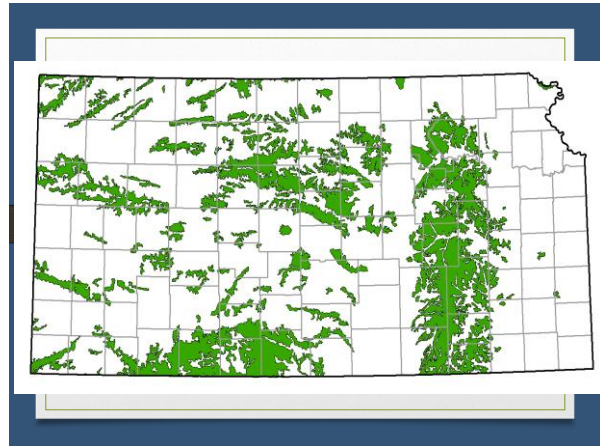
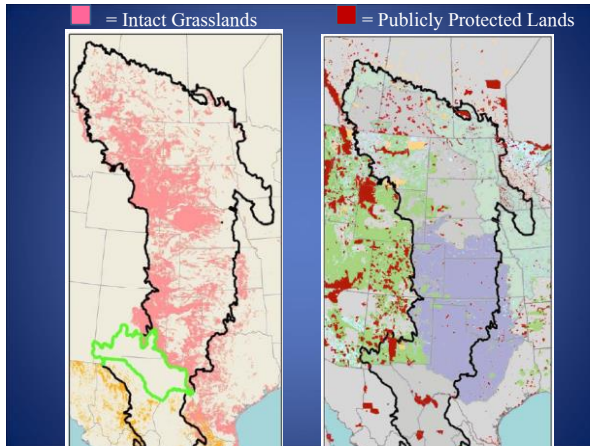
• ANIMALS NEED:

- FOOD
 - WATER
 - COVER
 - **SPACE** ← Subdivision and Residential, Commercial, Industrial Development
- } Most Wildlife Funding

SPACE . . . THE FINAL FRONTIER!

• PARTICULARLY AFFECTS:

- LANDSCAPE LEVEL SPECIES
- PRIVATE LANDS
- AGRICULTURAL LANDS
- MINERAL INTERESTS
- AGRICULTURAL SUCCESSION



Grassland Dependent Wildlife

- Resident Game Species
- Migratory Non-game Species



Grassland obligate birds are the fastest declining suite of birds worldwide

Development - What's the Big Deal?

- 500% increase since 1950
- Now consumes 25% of all private land in U.S.
- Fastest growing form of land use in U.S.
- 41,000,000 ACRES LOST TO URBAN SPRAWL (1985-2010)*

• 5,000 ac per day

- In Kansas, 1982-2007 :

- 408,000 ac. rural land Developed

- 740,000 ac. native prairie Plowed

- 1.1 M acres of open rangeland LOST in KS



Demands on native grasslands are only expected to increase

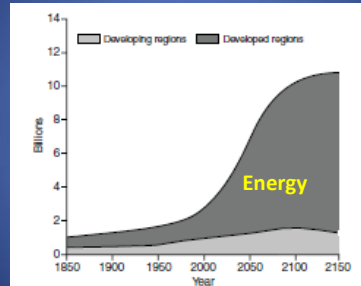
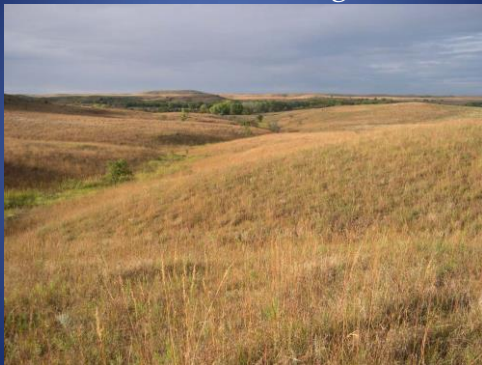


Fig. 2.1—Estimated world population growth from 1800 to 2100 AD (adapted from Clarke 1995).

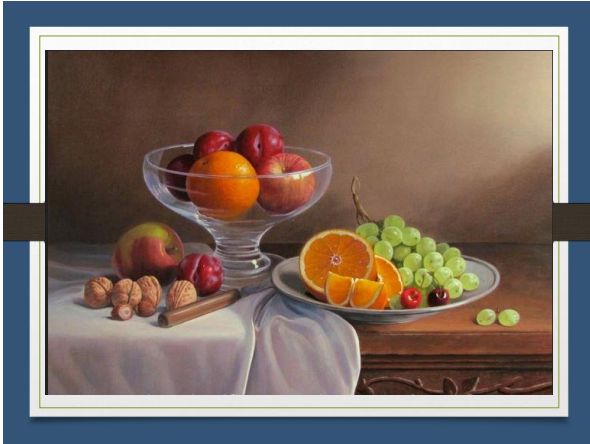
So What are We Going to Do?



Native Grasslands

- Provides the ultimate form of sustainable, "low input" agriculture
- Provides habitat for most declining wildlife
- Provides clean water, open space, tourism
- = VALUABLE ASSET





The European Solution to Estate Succession Planning:

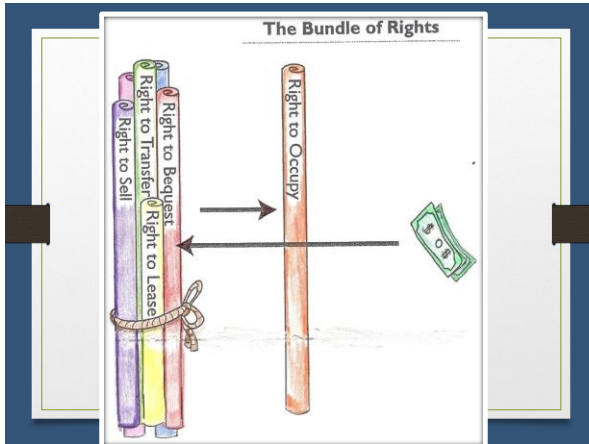


What is a conservation easement?

- A voluntary legal instrument between a landowner and a third party (land trust or govt. entity) to protect the Conservation Values of the land
- Commercial, residential and industrial development rights are **extinguished**
- Conservation Values can include agricultural activities that also provide open space

Conservation easements

- Completely voluntary
- Grantor (landowners) maintain title and ownership of the land
- The easement deed is attached to the title and transferred to subsequent owners of the land
- The conservation easement deed is tailored to the character of the land and the goals of the grantor and land trust



What is a Land Trust?

- A non-profit or charitable organization exclusively for charitable and educational purposes, with a purpose to acquire, own, or protect land and/or acquire and defend conservation easements (IRS)
- Currently 2,300+ land trusts in U.S.

Tax Advantages*

- Purchased Easements
 - Proceeds from purchased easements have been managed with (1031) land exchange
- Donated/Combination Easements
 - *Qualifying Farmers and Ranchers* can deduct up to 100% of their taxable income for up to 16 tax years, equivalent to the value of the easement donation

(* Information presented does not constitute official tax advice)

Tax Advantages*

- Easement donations aren't just for the wealthy. . . . For example:
 - \$1M donation, with \$50,000 annual income . .

\$800,000 in deductions

(* Information presented does not constitute official tax advice)

Tax Advantages*

- Estate Tax Benefits
 - Reduces the taxable estate 20-40%
 - Lands protected by a conservation easement could exclude up to \$3.5 M from estate taxes
 - *Qualifying Farmers and Ranchers* can exclude **ALL** lands protected by a conservation easement (if appraised value \geq 30% FMV.)
 - Post mortem donations are allowed (9 mos)

(* Information presented does not constitute official tax advice)

Other Benefits

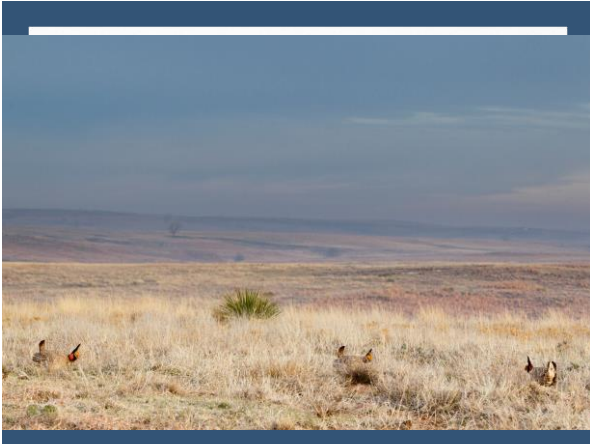
- Lands protected with conservation easements are becoming more valuable in certain parts of the U.S.
- Can significantly increase adjacent property values
- **Conservation is contagious, and has a synergistic effect of protecting entire landscapes**
- Guarantees a lasting legacy
- Enjoys bipartisan political support

PART II: CONSERVATION EASEMENTS AS A SPECIES RECOVERY TOOL





Conserving rangelands requires more than just restricting development rights

What about the management?

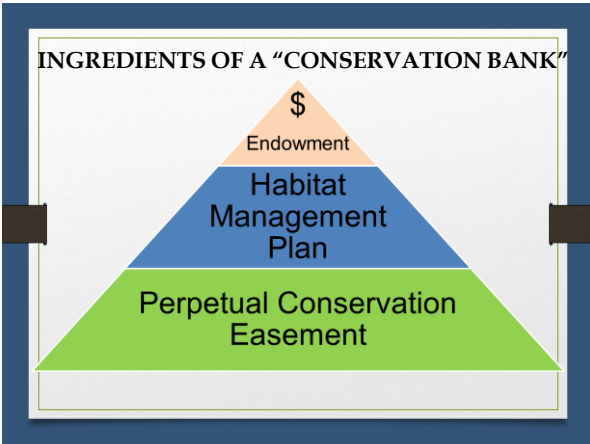


LESSER PRARIE CHICKEN (*Tympanuchus pallidicinctus*)





- Member of the prairie grouse family
- Only 13% of original range occupied
- Current population is only ~25,000
- Energy development threatens extinction
- USFWS final decision as "Threatened" under Endangered Species Act in March 2014
- **ESA REGULATORY MITIGATION BEGINS**

Estimated historical range and current occupied range of lesser prairie chicken



Property Analysis Record



PAR

Center for Natural Lands Management
PAR 3 © 2007 cnlm.org

So how much DOES it cost to maintain fire in the landscape?

\$3/ac?
\$0.50/ac? \$10/ac

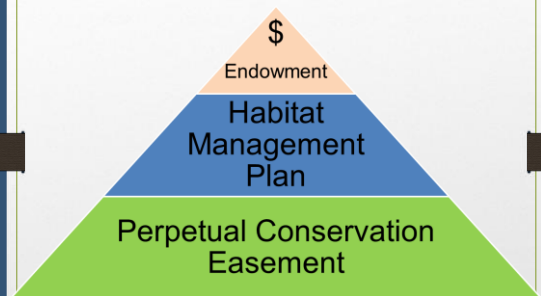
Assumptions for the creation of a non-wasting endowment:

- 10,000 acre ranch
- For-hire burning will cost \$10/ac
- 3 year return interval (3,333 ac/yr)
- Projected Inflation, Cost of Living, etc.
- 4% capitalization rate
- **\$1,154,875**

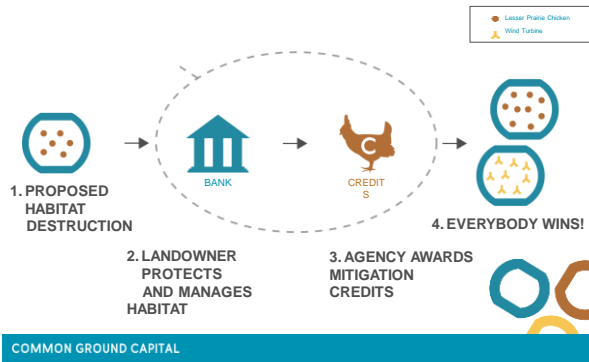
Rule of Thumb

- For every \$1/year you **NEED**
- You must deposit \$25, one time, in the endowment
- $\$1/0.04 = \25

INGREDIENTS OF A "CONSERVATION BANK"



WHAT IS CONSERVATION BANKING?



CONSERVATION EASEMENTS:

- ENABLE LANDOWNERS TO SELL PERMANENT MITIGATION CREDITS
- CATALYZE AND LEVERAGE HABITAT MANAGEMENT INVESTMENTS BY OTHERS
- ARE CENTRAL TO ESTATE PLANNING DECISIONS FOR LANDOWNERS
- ARE AN ESSENTIAL TOOL TO THE "WHOLE PACKAGE" FOR MANAGING WILDLIFE HABITAT

"The ultimate test of man's conscience may be his willingness to sacrifice something today for future generations whose words of thanks will not be heard."

Senator Gaylord Nelson