



UNDERSTANDING CONSERVATION EASEMENTS



Understanding Conservation Easements

What is the Okanogan Land Trust?

The Okanogan Land Trust (OLT) is an independent, local nonprofit organization that partners with landowners in Okanogan and Ferry counties to conserve working farms and ranches, water resources, and wildlife habitats so that future generations of residents and visitors can enjoy life in the Okanogan as much as we do today!

One of the ways we help preserve the Okanogan's quality of life is by working with willing landowners to place conservation easements on their land.

What are conservation easements?

Conservation easements are a tool landowners use to protect what they value about their property and about the Okanogan way of life.

Conservation easements are voluntary legal agreements between landowners and a qualified conservation organization that permanently protect specific conservation values. When landowners place a conservation easement on their property, they voluntarily agree to donate or sell certain development rights while retaining other property rights, like the ability to build a home or sell the property.

Benefits of Conservation Easements

Private Ownership

If you convey a conservation easement on your property, **it's still your property**. You continue to live on the land, manage and make a living from it, and sell it or pass it on to heirs.

Financial Benefits

Landowners who donate all or a portion of a conservation easement may be eligible for a reduction of federal income, gift, and estate taxes. Landowners who sell a conservation easement on their property receive a cash payment.

Community Benefits

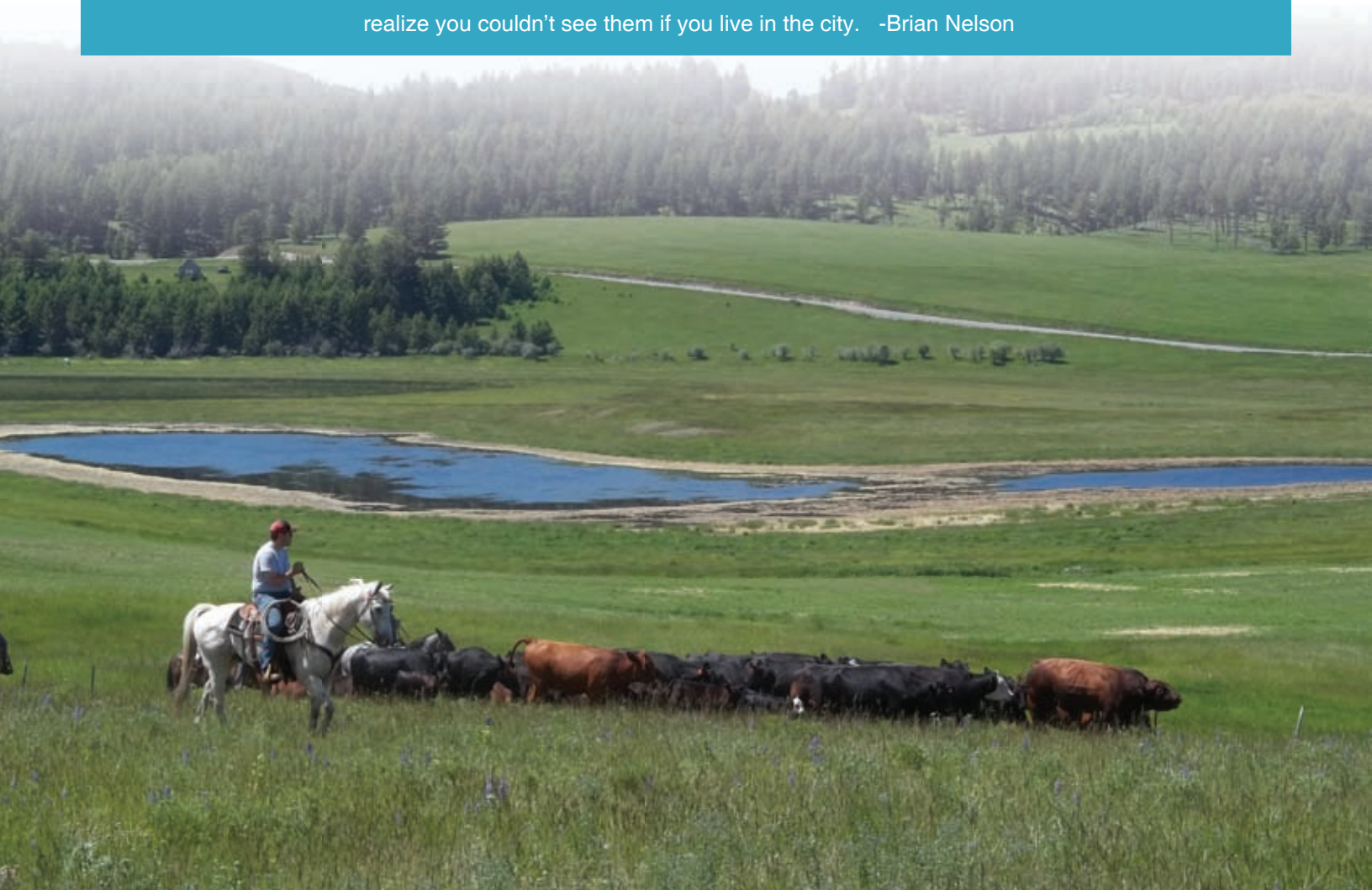
Land protected by a conservation easement maintains the character and resources that enhance the quality of life in our community. Conservation easements make it possible for farmers and ranchers to continue producing food, creating jobs, and contributing to our local economy. Moreover, because lands with conservation easements remain in private ownership, they continue to contribute to the local tax base and the vital community services our tax dollars provide.

The Nelson's Story

The Nelson family has been raising cattle in the Okanogan Highlands for more than a century. “**Farming at its best is not really prosperous,**” Brian Nelson explains, “A lot of money goes out, and not much comes in.” Then the Nelson’s banker suggested a potential solution: sell a conservation easement.

- A conservation easement payment helped the Nelsons continue ranching, a benefit that extends to the entire community in the form of local jobs, nearly \$500,000 in annual commerce, and the preservation of a working farm that provides us with world class beef.
- The conservation easement protects more than 1,000 acres of prime rangeland and wildlife habitat.
- Now the Nelsons will be able to pass their ranch on to the next generation. “It’s the only way the kids would get to stay here,” Brian says.

When people started moving to this area, they’d talk about the stars. Well, they’ve always been there, but I didn’t realize you couldn’t see them if you live in the city. -Brian Nelson



Why the Okanogan Benefits from Conservation Easements

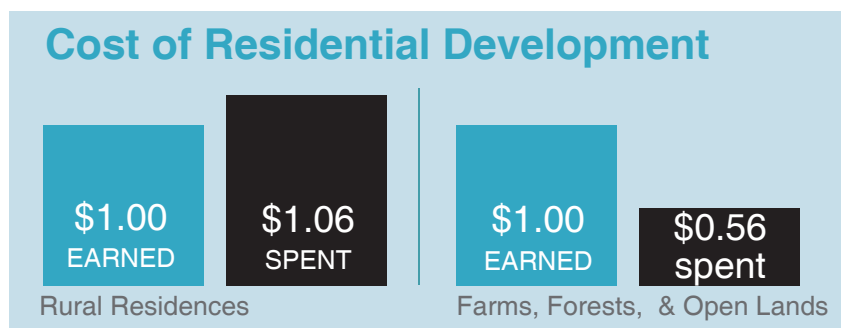
The Okanogan is losing its ranching heritage and open landscapes.

While farmers and ranchers strive to adapt to changes in the agricultural economy, and struggle with rising costs, they also feel pressure from an increasing demand for rural residential properties.

- 45 percent of large ranches in the Okanogan changed ownership between 1993 and 2008.¹
- 53 percent of those ranches were purchased by developers and investors, and that land is no longer in agricultural production.¹
- Surprisingly, the rate at which we are losing our farms and ranches exceeds the rates of loss in some of the fastest growing areas of the rural West.¹
- Subdividing tracts of land into small parcels creates more obstacles for our remaining ranchers who need intact landscapes to graze cattle.
- Ranchlands conserve broad stretches of open space, providing vital connections between wildlife habitats.

Residential development contributes more revenue in property taxes than farms and forests, but residential properties actually cost more than they contribute to the economy.

- In 2005, for every \$1.00 in revenue earned from residential properties, Okanogan County spent \$1.06 providing services to those lands.
- For every \$1.00 in revenue earned from farms, forests and open lands, the county spent \$0.56.²



¹ Haggerty, Julia and Patty Gude "Land Ownership Change and the Ranching Economy in the Okanogan Valley and Eastern Okanogan County, Washington." Headwaters Economics (2008): pg 3, 31. Web. 20 March 2014.

² "Cost of Community Services, Okanogan County, Washington." American Farmland Trust (2007): pg. 3. Web. 20 March 2014.

³ Both Okanogan and Ferry counties. Estimate calculated from data by:

- "Cost of Community Services, Okanogan County, Washington." American Farmland Trust (2007): pg. 4. Web. 20 March 2014.
- Tweedy, Doug. "Ferry County Profile." Employment Security Department, WA State. (2013). Web. 20 March 2014.

Conservation easements preserve our agricultural way of life.

- Conservation easements provide farmers and ranchers with the means to avoid subdividing their property.
- Conservation easements make it possible for ranching and farming families to honor their heritage and leave a legacy for future farmers.

Conservation easements are an investment in the Okanogan's economy.

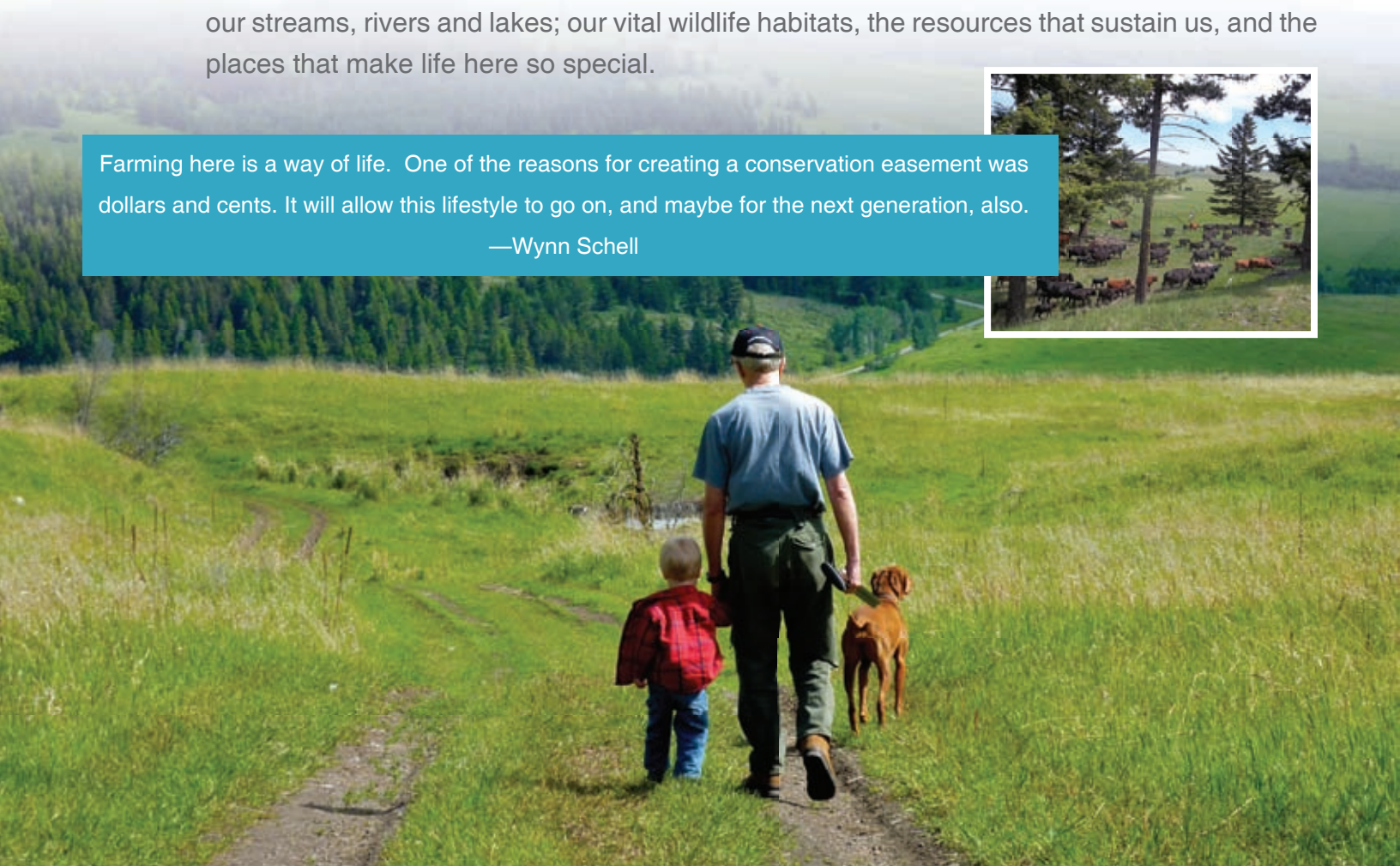
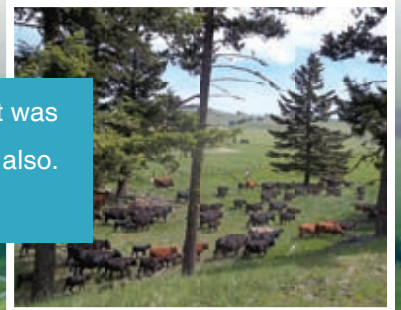
- Conservation easements provide farmers and ranchers with the means to stay in business and reinvest in their operations and the local economy. Keeping farm, forest and natural lands in private ownership contributes more to the local tax base than rural residential development
- In 2005, residential land uses in Okanogan County created a deficit of \$4.8 million, while farms, forests, and open lands generated a surplus of \$2.1 million in tax revenue.²

Conservation easements preserve the best of the Okanogan landscape.

- Much of the Okanogan's private land (nearly 1.2 million acres³) is well suited for thoughtfully planned rural development. At the same time, we need to maintain what attracts people to this area in the first place.
- The OLT's goal is to conserve the "cream of the crop:" our working farms and ranchlands; our streams, rivers and lakes; our vital wildlife habitats, the resources that sustain us, and the places that make life here so special.

Farming here is a way of life. One of the reasons for creating a conservation easement was dollars and cents. It will allow this lifestyle to go on, and maybe for the next generation, also.

—Wynn Schell



How Conservation Easements Work

Who owns the land after a conservation easement is conveyed?

Landowners retain private ownership of their property. With a conservation easement, landowners only give up certain rights, such as the right to subdivide the conserved area into smaller parcels.

Is the OLT going to tell me what to do with my property?

No. It is not our business to manage private property. Our responsibility is to uphold the mutually agreed upon terms of conservation easements. We believe landowners want to be good stewards and manage their property according to the values outlined in their conservation easements.

How do conservation easements affect my property rights?

Each conservation easement is crafted to fit the landowners' values and goals. Current use and management of the land is usually maintained with little to no impact on day-to-day activities. Landowners can still sell, lease, and otherwise transfer their property. Landowners can typically still build homes and agricultural structures on their property.

Do conservation easements require public access?

No. The word "easement" can be misleading. Conservation easements do not require public access. Land with a conservation easement remains private property, so landowners still decide who is allowed on their property and when.

What rights do conservation easements give to the land trust?

Land trusts are required to monitor and enforce the terms of the conservation easements they hold. To accomplish this, land trust representatives visit conserved properties at least once a year to ensure the terms of each conservation easement continue to be honored. The OLT and landowners schedule monitoring visits for mutually agreed upon dates and times.



What is the process for developing a conservation easement?

- 1. Contact the OLT:** First, contact the OLT to begin a discussion about your conservation options.
- 2. Initial Meeting:** Next, the OLT will schedule a visit to meet you in person, walk your property, and learn more about your goals and values.
- 3. Project Review:** After meeting, if both parties are interested in moving forward, then the OLT Board of Directors will review the proposed project.
- 4. Letter of Intent:** Following the Board of Directors' approval, the OLT and the landowners will craft and sign a formal letter of intent outlining the scope and terms of the proposed project.
- 5. Work on Project:** Over the following months and often years, the OLT and the landowners work together to draft the precise terms of your conservation easement, and complete necessary tasks such as obtaining project funding, appraising the property, and securing title insurance.
- 6. Close Project:** When we've completed all of the work and everyone is happy with the agreement, the conservation easement is "closed" and recorded with the county.
- 7. Stewardship:** Going forward, the OLT will visit the conserved property annually and provide landowners with feedback as needed to uphold the terms of the conservation easement.

How long does it take to complete a conservation easement?

Depending on whether a conservation easement is purchased or donated, it typically takes from 6 months to 3 years to complete a conservation easement project.

What Next?

Wondering if a conservation easement is right for you? Give us a call! We're happy to answer any questions and learn more about your special place in the Okanogan.

Even if a conservation easement doesn't meet your needs, perhaps you'll still consider becoming a member of the OLT. The OLT is a nonprofit organization that relies on volunteers to help us coordinate the programs that serve our mission: connecting people to the land and conserving and sustaining our working farms and ranches, wildlife habitats, and water resources.





Special Thanks To:

The **National Fish & Wildlife Foundation** (www.nfwf.org), the **USDA Forest Service** (www.fs.fed.us), and **US Fish & Wildlife Service** (www.fws.gov) who provided us with the means to produce this publication.

Justin Haug, Ildiko Thomas, and Cynthia Nelson, whose photographs vividly remind us of what we cherish about the Okanogan.

Nancy Warner and the **Initiative for Rural Innovation & Stewardship (IRIS)**, whose interviews with conservation landowners are quoted here. www.irisncw.org



From the Cascades to the Kettles, Canada to the Columbia, the Okanogan Land Trust is a local nonprofit organization connecting people to the land and conserving and sustaining our working farms and ranches, wildlife habitats, and water resources for generations to come.

416 ½ S Whitcomb Ave #3 • PO Box 293 • Tonasket, WA 98855-0293

Phone: (509) 486-2765 **Web:** www.okanoganlandtrust.org **Email:** info@okanoganlandtrust.org