

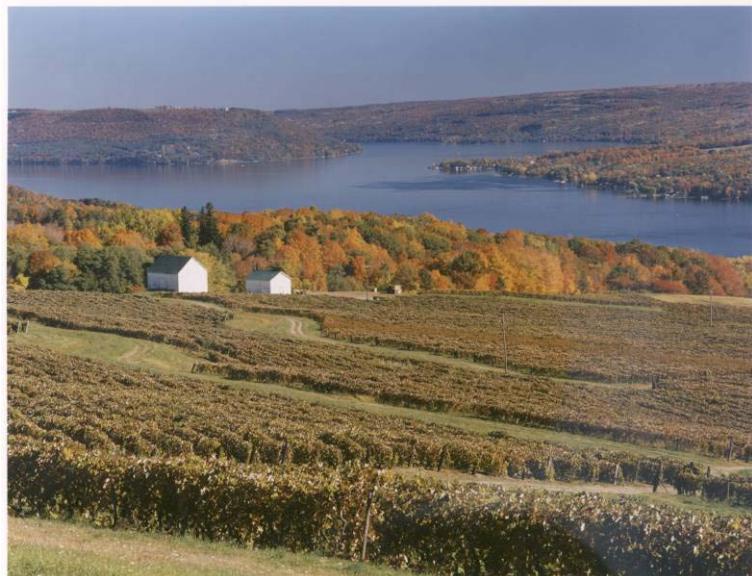
Land Protection in the Finger Lakes

The Finger Lakes region is blessed with clean water, beautiful vistas, and productive farmland. Keuka Lake epitomizes the character of the region with its blend of natural beauty, unique landscape features, and its charming rural character. With many recreational and cultural opportunities, Keuka Lake attracts tourists throughout the year who come to visit the wineries, enjoy the lake, and explore the towns and communities that line its shores.

With Bluff Point as its striking centerpiece and its unique “Y” shape, Keuka Lake is more than just a scenic jewel. The wooded hillsides that ring the shoreline help protect the water quality of the lake which serves as the drinking water source for over 20,000 residents. Forests like these also serve as critical habitat for a diverse array of birds and other wildlife that live in the Keuka Lake watershed.

Located in a swath of fertile farmland that stretches across the northern portion of the Finger Lakes, the land surrounding the lake has also long supported a thriving agricultural community. From traditional row crops and dairy operations to a flourishing wine industry, working farms and vineyards define the landscape around the lake and are a vital part of the economic fabric of the region.

As more and more people discover Keuka Lake, it is important that these communities have the right tools in place to protect the resources that define their landscape. Growing development pressure and lake front subdivision are slowly changing the face of the area and impacting many of the natural qualities that have made Keuka Lake so special. Land conservation is one approach that can help landowners and communities achieve their goal of resource protection while still accommodating future growth and economic vitality. Many conservation tools may also provide financial benefits in terms of state and federal tax savings or credits.



The land conservation options outlined here are only a brief introduction and are in no way intended to be a comprehensive list of all the possibilities available to landowners. The Finger Lakes Land Trust, a non-profit land conservation organization, can assist landowners who are interested in exploring all the possible options for protection of their property. The Land Trust was founded in 1989 to protect those lands that define the character of the Finger Lakes region. To date, the organization has protected more than 11,000 acres of the region's wetlands, forests, farmland, grassland, and gorges.

Conservation Options for Landowners

There are a number of options for protecting your land. This chapter covers only three of the basic options: donation of a conservation easement, the purchase of an agricultural conservation easement, and the outright donation of land. If these options do not seem to be the right fit for you, additional options exist; please contact the Finger Lakes Land Trust for additional information.

As with all real estate transactions, landowners are strongly encouraged to seek independent and professional advice on the legal and tax implications involved with these and other conservation options. While a Land Trust can provide an array of information and assistance, it cannot provide legal and financial advice, or guarantee that a particular conservation plan is best for your personal and financial circumstances.

Donation of a conservation easement:

One of the most effective ways to protect land is through a conservation easement. A conservation easement is a voluntary legal agreement between a landowner and an entity qualified to hold conservation easements. Such an entity may be a town or county government or a land trust, a special non-profit organization designed to hold easements, such as the Finger Lakes Land Trust. In crafting a conservation legacy for your property, it is important that the restrictions in the easement are monitored and enforced on an annual basis. Typically this is done by the entity holding the conservation easement.

Very simply, a conservation easement is a set of restrictions on the use of a property that a landowner voluntarily puts in place. Common restrictions include limitations on development and subdivision. However, each easement is tailored to the specific conservation values of the property, as well as the needs and desires of the landowner. These easement restrictions are perpetual and as such, are recorded with the deed and transfer with ownership of the property. Under the

conservation easement the landowner still has full ownership of the land, and can maintain residential, recreational, agricultural, and forestry activities as defined in the easement document. As with all private land, public access is at the discretion of the landowner. And because land protected under an easement remains on the tax rolls and in private ownership, municipal tax revenues are not generally affected.



The donation of a conservation easement that meets certain requirements can qualify as a tax-deductible gift on your federal income taxes. By donating an easement to a tax-exempt nonprofit organization like the Finger Lakes Land Trust you are technically making a charitable contribution. The amount of the contribution (or the “easement value”) is equal to the difference in

the fair market value of the property before and after the restrictions. This value must be determined by appraisal and needs to meet certain IRS conditions. If these conditions are met, the landowner would be eligible to claim a significant deduction (currently, up to 30% of their adjusted gross income), annually for up to six years.

In addition to a possible federal tax deduction, New York State implemented a Conservation Easement Tax Credit in 2006. Landowners whose land is restricted by a conservation easement would receive an annual, refundable state income tax credit equal to 25% of the combined town, county, and school taxes paid on the land (this rebate does not include structures) during the previous tax year. The income tax credit is capped at \$5,000 per year for each qualifying landowner.

For the majority of landowners, conservation easements provide a simple, flexible solution for protecting their property and the important conservation values they hold dear.

Purchase of Agricultural Conservation Easements:

The Purchase of Agricultural Conservation Easements (PACE) is a conservation option specific to the protection of high value farmland. PACE projects are coordinated through the Farmland Protection Implementation Grants (FPIG) program of the NY State Department of Agriculture and Markets (NYSDAM). These projects pay landowners for permanently protecting their land for agriculture and making sure that these lands stay viable as farms into the future.

As with other conservation easements, the landowner retains ownership of the property but future development of that property is limited under terms defined in an agricultural specific conservation easement. In general, agricultural conservation easements limit subdivision, non-farm development and other uses that are inconsistent with commercial agriculture. Some easements allow residential lots to be reserved for family members. Agricultural conservation easements often permit commercial development related to the farm operation and the construction of farm buildings.



Landowners who participate in the NYSDAM program must go through a very competitive grant process in which each project is competing against all other qualified PACE projects in the state. Each project must also be sponsored by a municipality that will serve as a project administrator

through the grant process. In many cases, a land trust or other qualified organization is also involved as a project partner and will be responsible for holding the actual agricultural easement. Because of the significant time and expense involved for both the landowner and the project partners, most counties who participate in the FPIG program have a pre-application process that helps identify the most qualified projects for submittal.

In Yates County, protection of agricultural lands has been undertaken through a unique partnership between the Cornell Cooperative Extension (CCE) of Yates County and the Land Trust. To date CCE and the Land Trust have partnered to obtain \$3.8 million in grants from NYSDAM to protect four farms and over 1,100 acres of prime farmland in the county.

Donation of property:

An outright gift of land for conservation is one of the most generous legacies a landowner can make to future generations. Throughout Central New York, there are parks, shorelines, forests and scenic open spaces that are enjoyed by the public thanks to the vision of conservation-minded landowners.

Depending on the character of the land and the intent of the donor, a gift of conservation land could be permanently protected through either of the following techniques: 1) The Land Trust might retain and manage the land as a conservation area or partner with a local municipality to create a public park; 2) With the donor's prior agreement, the Land Trust might also sell the land to a conservation minded buyer who would agree to abide by a perpetual conservation easement on the land. Other types of real estate, such as a house lot, can also be donated to the Land Trust. These lands are subsequently sold without restrictions, and the proceeds are used to provide the funds needed to support the Land Trust's land protection efforts.

The benefits of donating your land outright include: simplification of your estate and savings on estate taxes; charitable deductions on your income taxes; and savings on property taxes. More importantly though, is the immeasurable satisfaction that donors enjoy in knowing that their gift will have a lasting and profound impact on the natural landscape and the community at large.

Donation of property through an estate gift or will is also an option for those who prefer to continue to own and control their property through their lifetime but have no heirs or are interested in transferring assets at the time of their passing. Like all of the conservation options available, it is important to discuss this with your family, financial and legal advisors, and Land Trust staff well ahead of time and to look at all aspects of this kind of transaction.

Conclusion

The decision to protect your land is a personal and private one. For some people, financial incentives and tax savings are very important whereas others just want to see their land conserved for future generations. For most people, it is some combination of these factors that motivate them to conserve their land. Understanding what options exist and how to best use them is a critical part of the conservation discussion.

As development pressures continue to grow, and population shifts change the land use patterns of a region, it is important that landowners and communities have a full toolbox at their disposal to meet these challenges.

For more information on these or additional resources, please contact the Finger Lakes Land Trust at 607-275-9487 or visit www.flrt.org

Photo Credits: Mike Doyle, Patrick Quigley, Peter Landre