

CONSERVATION AND AGRICULTURAL EASEMENT STEWARDSHIP FUND

(Adopted by the Board of Trustees, May 13, 2002)

The donation or sale of a **natural resource or agricultural conservation easement** (“conservation easement”) is a major, long-term commitment for both the landowner and the Land Trust. In addition to the tax benefits or grant income which may result from granting an easement, the landowner needs to be assured that the trust is committed to and capable of ensuring that a cherished property will be forever protected. Conservation easements are an established legal tool to protect land for its agricultural, natural and open space values for generations to come.

When the Land Trust accepts a conservation easement, the organization agrees to become partners with the landowner in order to restrict certain uses on the property in perpetuity. Current and all future landowners assume the legal responsibility to use the property in a manner consistent with the conservation or agricultural easement. To fulfill its legal responsibilities as holder of the easement, the Land Trust inspects easement properties at least once or twice each year to be sure no violations of the conservation restrictions have occurred. In addition, some conservation easements grant the Land Trust review and approval authority over certain major land use changes such as relocation of allowed development sites. Unfortunately, violations do occur, and their likelihood increases as time passes and properties change hands. If a violation is discovered, the Land Trust must be prepared to take follow up action with the landowner to seek voluntary correction of the problem, and to defend the terms of the easement in court if necessary.

Purpose of the Stewardship Fund

The Land Trust maintains an independent, restricted Stewardship Fund to cover the costs associated with monitoring and enforcing the easements it holds. This fund provides the Land Trust with the financial resources necessary to ensure that:

- Each easement property is physically monitored at least annually.
- Conditions of the land are documented in a written report with current maps, aerial and ground photos.
- Technical experts, such as agricultural, biological or land planning consultants, can be hired when necessary to advise on easement compliance matters.
- The monitoring report is explained to the landowner with recommendations on any compliance matters.

*Your tax-deductible contribution to the Land Trust for Santa Barbara County
Stewardship Fund will help ensure the protection of your land forever.*

- Regular contact is maintained with landowner and subsequent owners are fully informed of the easement terms.
- The Land Trust can take legal enforcement steps if necessary to be sure that use of the property is consistent with the easement.

The Land Trust works cooperatively with landowners to advise on easement compliance matters and to correct minor violations. In the unfortunate scenario where a serious easement violation occurs or protected agricultural or conservation values are significantly threatened or harmed, the Stewardship Fund enables the Land Trust to take necessary legal actions, which may include mediation, arbitration or action in court to seek correction of the violation or restoration of the agricultural or conservation resources. The Stewardship Fund is not used for general operating or other Land Trust project expenses.

Stewardship Fund Donations

When considering the acceptance of a new conservation easement, the Land Trust requests that landowners or other project supporters make a tax deductible gift of cash, securities or other assets to the Stewardship Fund at the time of the easement donation or sale. If a donation is not possible at the time of the transaction, landowners are asked to consider pledging a future contribution which may be donated over several years or as a bequest. The Trustees of the Land Trust recognize that not all landowners are able to make such a contribution, and may consider accepting an easement without a Stewardship Fund gift in extraordinary circumstances.

Landowners are asked to consider the following when considering a donation to the Stewardship Fund:

1. The minimum cost of completing one annual site visit, written easement monitoring report, photo inventory and necessary follow-up communication with the landowner is about \$500. A donation to the Stewardship Fund of \$10,000, earning 5 percent interest, will yield \$500 per year to cover Land Trust expenses. A \$10,000 donation is appropriate for easements with minimal retained additional development rights (e.g. one or no additional home sites). Owners retaining multiple buildable parcels that could be sold and developed separately in the future should consider a donation of \$10,000 per retained building right (e.g. \$40,000 donation for a property with the right to build four homes under the conservation easement). If these individual rights are exercised and parcels sold to separate owners, the Land Trust would need to complete separate site inspections and monitoring reports for each owner.
2. The above suggestion is a minimum. If you are able, please consider a larger donation. A suggested range for a Stewardship Fund gift is 1-3 percent of the value of the conservation easement being donated or sold to the Land Trust. Gifts in excess of

\$10,000 per development parcel allows the Land Trust to meet more complex monitoring or stewardship needs, and to build a reserve for legal costs in the event of a serious violation or need to defend any of its conservation easements in court.

3. When making a gift to the Stewardship Fund, donors are asked to consider the following complicating factors that may suggest a higher than minimum contribution: a) difficulty of access to the property for monitoring personnel; b) large property size, multiple parcels or ownership interests, lessees or people living or working on site; c) degree of future development permitted on or adjacent to the easement; d) extent of active agricultural, residential or recreational uses allowed on the property; and e) high levels of public access on or near the property. The Land Trust staff can help assess which, if any, of these factors may apply to your property.
4. There are many ways of making a gift to the Stewardship Fund. Some landowners choose to make a one-time cash gift at the time the easement is signed, and others pledge gifts over a period of years. Gifts of appreciated assets, including stock, bonds, insurance and personal property, can also be an effective way to contribute.

Management of the Fund

Donations to the Stewardship Fund are pooled in a restricted Land Trust account for administration and for investment purposes. Because funds are pooled, contributions may be used toward monitoring and enforcement costs for any of the easements held by the Land Trust for Santa Barbara County. All properties will be defended equally and to the fullest extent that Land Trust resources allow. Special fundraising efforts will be undertaken as necessary to replenish any expenditure of principal or to strengthen the fund.

Enforcement of conservation and agricultural easements is crucial to the success of any land protection program- When accepting a conservation or agricultural easement the Land Trust makes a serious commitment to protect the land and its resource values in perpetuity. Contributions to the Stewardship Fund help us keep that commitment to you - the owner interested in voluntarily conserving your land.

Thank you.