

Rangeland Trust Assists Ranchers for a Decade

by Mary Silveira

History was made in mid-1998 when members of the California Cattlemen's Association, with funding from two major foundations, the David and Lucille Packard Foundation and the National Fish and Wildlife Foundation, formed The California Rangeland Trust (the Rangeland Trust).

Steve Sinton, a San Luis Obispo County rancher and Farm Bureau member, spoke as chair of the Trust's Board of Directors at that time saying, "We are excited about the opportunities to work with ranchers to keep rangelands in agricultural production and to avoid the problems often associated with the urban and suburban development of these lands. Conservation easements can be a useful tool for ranchers who want to keep their land in agriculture and to hand it on to the next generation." And, so it began.

Today, Sinton reiterates these thoughts. "At inception, it wasn't entirely certain what services the Rangeland Trust would provide, but landowners from around the state quickly made it clear that what they wanted from us was a land conserva-

tion program that recognized the values provided by ranching. From that beginning, we have refined our easements to reflect the stewardship provided by ranching families and to better communicate that role to the public, which benefits from what is often perceived as open space. Ranchers do so much that goes unrecognized, including protecting the lands that provide us with our clean air and water, habitat for wildlife, our springtime wildflowers, and a place for endangered species to succeed.

"Ranchers give us a lot of different reasons for wanting to do an easement," Sinton continues. "Conservation easements give ranchers an opportunity to extract some of the development value from the land they have nurtured, without having to destroy it through subdivisions. Funded easements can provide an infusion of needed cash for diversification, ranch improvement or estate planning. Donated easements offer significant tax savings, not only at the time of the initial gift, but in future property and estate tax savings. Easements also give families a way to be certain that the

places they love will remain much as they are."

After celebrating its 10th anniversary, the Rangeland Trust has approximately 430,000 acres of private rangelands awaiting funding for permanent conservation. Of the 94 ranches currently on the waiting list, nine are within San Luis Obispo County. In order to fund the current list of applications, the Trust needs more than \$430 million.

What was a dream of a few in 1998 now has become a fact. But, according to the Rangeland Trust website (www.rangelandtrust.org/conservation.php), the future of precious oak woodlands, wetlands, vernal pools, breathtaking vistas and the heritage and culture of the families who steward these lands is threatened. The Rangeland Trust partners with other agencies and land trusts throughout California in the effort to conserve precious rangelands. "Continued collaboration with the Wildlife Conservation Board, the Trust for Public Land, The Nature Conservancy and many others will be vital to our state's conservation goals."

Why Do Ag. Conservation Easements With the California Rangeland Trust Appeal to Ranchers?

Citing the organization's website, "California Rangeland Trust uses conservation easements as a tool to preserve the inherent benefits of the ranching industry for future generations. An agricultural conservation easement is a voluntary, legally recorded agreement between the landowner and the Rangeland Trust that restricts the land to agricultural and open space uses.

"By voluntarily limiting their ability to develop the land, landowners permanently protect its open space and agricultural values. This does not necessarily allow public access onto the protected property, unless that is the



The 17,000-acre Varian V6 Ranch recently celebrated eight years in a conservation easement.

specific wish of a particular landowner. In some situations, landowners can reserve home sites for future building.

"Development rights are extinguished by the conservation easement and cannot be sold or transferred to another entity. The easement generally prohibits or limits any subdivision, development or practice that would damage the agriculture value or productivity of the land.

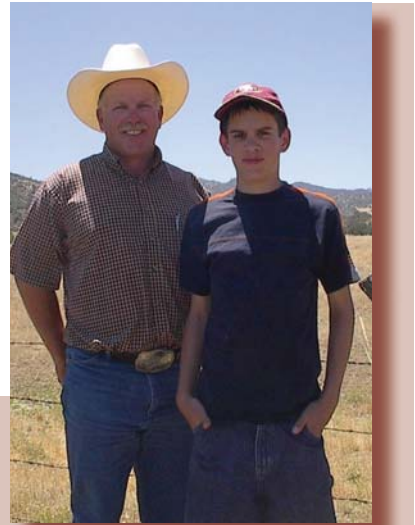
"Once California Rangeland Trust accepts a conservation easement, they take on the responsibility of monitoring the easement land annually to confirm that the landowner is complying with the terms of the agreement. California Rangeland Trust requires an endowment by the landowner to cover the costs of monitoring those long-term obligations."

Sinton adds his perspective as a rancher. "In addition to being a cornerstone in California's agricultural economy, ranching provides working landscapes that contribute open space, wildlife habitat, native vegetation and other biological values. We hope that our efforts will complement those of other organizations that are working to maintain California's ranching heritage and preserve our land resources."

Ben Higgins, Chief Operating Officer for the Rangeland Trust, graciously addressed numerous questions presented to him. Conservation easements do impact property values in a significant way, he says. "Once development rights are sold or transferred, the property value is reduced by the value of that bundle of rights. Of course, the upside is that the landowner is compensated for giving up those development rights, or in the case of a donated easement, can receive significant tax benefits."

These tax incentives, reauthorized by the 2008 Farm Bill, are renewing interest in the donation of conservation

easements. A donated easement can allow a farmer or rancher to see their adjusted gross income on their federal tax return reduced by up to 100 percent for a maximum of 16 years. Typically, however, property taxes are not reduced in a similar fashion, since most California ranches are already enrolled in the Williamson Act and being taxed at their agricultural value.



Kevin and Cody Kester of Kester Ranches, shown at left.

Establishing the specific terms of each easement is a critically important part of the process, Higgins says. "California's ranches are incredibly diverse, and our easements need to be carefully crafted to recognize their unique needs and conditions, and the desires of the funders of the easements. These are not one-size-fits-all agreements, and we work closely with the landowners to ensure that the property and ranch management remains in the control of the landowner and that it works for the landowner for perpetuity. That's what we're all about; helping ranchers see their land conserved and maintained as a viable working cattle operation."

Funding comes from many sources, private and public. Public funds are generally used for the purchase of easements, and a variety of funding sources are utilized to defer transaction and monitoring costs. Higgins noted that "public access is absolutely not a condition of public funding. That's a non-starter for the vast majority of ranchers." The Hearst Ranch does allow public access on state-owned property

adjacent to the easement held by the California Rangeland Trust, but "this is an exception and not the rule."

By its very nature, land ownership encompasses not only an owner's entitlement to do with the land as he pleases, but he also is given the "sense of permanence and connection to this land for each generation forward," as the Rangeland Trust states. Agricultural conservation easements have been embraced by landowners as a natural alternative to safeguard rangeland agriculture and its ecosystems, permanently protecting hundreds of thousands of acres of California rangeland through agricultural conservation easements.

Kester Ranches

Kester Ranches became involved with the Rangeland Trust in 1999. "Our ranch," says Kevin Kester, "was purchased as the pilot project, and the Rangeland Trust was there from start to finish covering almost 17,500 acres from Southern Diablo Range through the ranches that 'straddle' the Monterey and Fresno County lines." The process

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was successful, Kester says, allowing the family to keep the ranches intact and avoid the problem many farmers and ranchers face with estate taxes. Today, there is an annual monitoring where grounds are toured, pictures taken and logs kept by the Rangeland Trust. "These records are available to those who funded our easements," Kester says.

"In order to get funding, I chose to advocate at the Wildlife Conservation Board hearing," he continues. "This isn't necessary for everyone, but it is what I chose to do. We were also funded by the Packard Foundation. They came out and toured the ranch, and I talked about the benefit of placing the ranches in conservation easements. Along with benefitting Kester Ranches, the easement benefits California red-legged frogs, Western pond turtles, San Joaquin kit foxes, Golden Eagles and the oak and pine woodland habitat that dominates the region.

Varian V6 Ranch

Kester Ranches' neighbor is Jack Varian's 17,000-acre Varian V6 Ranch easement, centerpiece of the Rangeland Trust's Diablo Range Project. The easement was purchased in March 2001 by the Trust for Public Land and transferred to the California Rangeland Trust after the original purchaser closed. The Varian family requested that Rangeland Trust become the easement holder, saying the "organization understands

the needs of the ranching community because its creation has grown from the grassroots of the agricultural world."

Jack Varian and wife, Zee, have raised their four children on their ranch, and his thoughts resonate among landowners. "Zee and I thought if you took the division of the property out of the picture making it one parcel, you take the battle out of it. We who stay on the ranch will send you your share of the net profits."

Varian recently received a "Happy Anniversary" card from the Rangeland Trust for his eighth year in their family of easements. "The most important thing as a conservation easement revolves around family unity," he says. "I have seen so many battles where brothers and sisters who are close end up all hating each other, never to resolve it. My children have spent their whole life on this ranch. We have taken into consideration their emotional battles.

"The ranch is another being, a person, just like our children. It has a heartbeat, seasons; you can feel it. If you want to buy a boat, you can cut off an arm, sell the arm and buy a boat, but you have a responsibility to the land, to the deer, cattle, soil; they, too, should have a seat at the table. It's not just about the children, not what money they can get. We are the stewards, just taking care of this place while we are around. We have a right to take care of it, be responsible citizens. We have got to quit treating

land as a commodity," Varian says.

The Varian property includes significant oak woodlands and other important natural values. Financial supporters of this project included the California Wildlife Conservation Board, California Department of Transportation, and the David and Lucile Packard Foundation. The Rangeland Trust monitors compliance with the easement and works with the Varian family to identify private and government programs offering support for weed management, livestock productivity and wildlife habitat improvements.

California Rangeland Trust

Responsible for monitoring the Rangeland Trust easements, Stewardship Director Andrew Mills helps ranchers throughout the state with conservation issues. "The law requires a land trust that holds an easement to do a compliance with the easement at least annually. The cost of the monitoring is normally an endowment, a one-time payment that sets up an investment account that pays for the process."

Nita Vail, Chief Executive Officer of the California Rangeland Trust and one of the founding board members, continues to be excited about the organization's future. "Ten years ago when the California Cattlemen's Association



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RANGELAND
Trust

California Rangeland Trust staff includes Ben Higgins, Chief Operating Officer (left); Andrew Mills, Stewardship Director; and Nita Vail, Chief Executive Officer.

started discussing a new organization, there was an element of controversy. Some cattlemen were suspicious, as ranchers were being approached by other land trusts and did not feel those organizations understood the landowner and his needs. We never anticipated the level of opportunities that would come once the Rangeland Trust was established.

“We have acquired landowners’ confidence and understand the challenges that ranchers face. They are confronted with estate taxes and equitable distribution issues, and today we see climate change and other ecological issues to address. Conservation easements are just one business tool to help ranchers address these issues.

“Our goal at the Rangeland Trust is to keep ranchers on the land. We need them as our teachers, mentors and critics in the years to come. The science is coming full circle with managed grazing not only compatible with endangered species, but in many cases, essential for them. Conservation easements are a tool now, but there may be new ways to protect and conserve the land in the future,” she says.

“The Rangeland Trust offers a bridge to many different landowner needs. There are solutions to protecting healthy watersheds, thriving wildlife and habitat, threatened and endangered species and maintaining vegetation and oak woodlands. And here is one tool we use to accomplish this now.”

Mills discusses “a misconception that conservation easements are somehow controlled by government or that it is an act of giving your rights to the government. Basically, you are selling some or all of the development rights, which is a property right itself. The ability to sell is a property right.”

Vail says ongoing funding is needed to sustain the purchase of conservation easements. She talks of philanthropic communities in California that are terrific, but not necessarily geared toward agriculture. She hopes that this will change.







Hearst Ranch, in a conservation easement. Photo by Lauren Garrison.

What Is a Conservation Easement?

A conservation easement is an agreement between a landowner and a qualified land trust, conservation group or government agency regarding the future uses of private property. As a private property owner, you have a number of private rights that go along with the ownership of your property. By granting a conservation easement, you agree to give up some of those rights.

In a conservation easement, the owner of the property, also known as the Grantor of the easement, retains all rights of ownership not specifically prohibited or limited by the easement. These include the rights to exclude public access and to sell the property. The easement holder, or Grantee, on the other hand, only has rights specifically included in the easement. The rights typically granted by the landowner to the easement holder include the right to some or even all development and the right to monitor the property on a regular basis for any activity that is inconsistent with the purposes of the conservation easement.

Types of Easements and Funding

-  When the landowner donates the purchase price of the conservation easement for significant tax benefits.
-  Help to offset expected adverse impacts of development on loss of farmland, habitat or riparian areas. Paid for by the developer or mitigating group.
-  When the purchase price of the conservation easement is paid for by one or more funding organizations, groups or agencies. This still offers tax benefits to the landowner.
-  The ranchers’ needs may require blending of any combination of the previous three easement types.

Hearst Ranch and Santa Margarita Ranch are in San Luis Obispo County; Varian V6 and Kester Ranch border the county. All have conservation easements with the California Rangeland Trust.

How to Contact the California Rangeland Trust

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