

# THE EUREKA REPORTER



Michael Smith, HSU professor and NRLT board member, leads a class from HSU at Freshwater Farms. Submitted photo/NRLT

## **Conservation easements protect ecological, economic future of the North Coast**

by Laura Provolt, the eureka reporter, 7/19/2006

The Northcoast Regional Land Trust provides an opportunity for local landowners to help secure the future of both the environment and the economy in Humboldt County.

"We are a nonprofit organization dedicated to the protection and preservation of farms, forest, ranchlands and wild areas," said Trust Projects Manager Shayne Green.

The balance between growth and conservation is a concern of NRLT, as it seeks to protect natural resources while maintaining economic health.

The NRLT's mission is "the protection of working landscapes, farms, forest and grazing lands, and ... the preservation and protection of land for its natural, educational, scenic and historic values," according to NRLT's 2005 annual report.

NRLT holds workshops two or three times a year for interested landowners to learn the conservation options available.

NRLT helps landowners set up land trust easements, or sell or donate the rights to develop their land to the nonprofit organization. This can reduce property and inheritance taxes for the landowner, ensuring that the land will remain in private ownership, said NRLT Executive Director Jim Petruzzi.

Some might find it unusual that a property owner would voluntarily reduce the market value of their property, but this is part of what a land trust does.

If a property owner does not want to sell the land, high market values will cost the landowner more money in taxes, said local rancher Steve Hackett.

By selling conservation easements, the owner ensures that the land will remain in private ownership at a low price, Petruzzi said.

Hackett placed his 3,600-acre ranch in a conservation easement in 2002.

"Our goal was to remove equity, to remove value, from our property," he said. "Property values were stagnant, the book values were really high and were not doing us any good."

Hackett said his land's market price was much more than his production value, and it was impractical to keep it at that value.

"It has a speculation value; if you were to develop it, you would get your investment back, but if you ranch, it doesn't justify the cost, and that is not a prudent use of a business investment," Hackett said.

He said that because he never plans to sell his land, the excessive speculation of the land's value did not benefit him; it merely raised his property tax and the inheritance tax, if he were to pass it on to his children.

Once his land is put in a conservation easement, the land cannot be broken up or separated from the easement, which decreases its value and makes it more suited to lasting as productive ranch land, Hackett said.

"In my family, during my lifetime, I saw my ranch purchased three times: from my great-grandfather to my grandfather, and from my grandfather to my father, then to me; each time, at market values," Hackett said.

When Hackett's next-of-kin inherit the ranch eventually, they will not be so strongly affected by the inheritance tax.

"Eventually, all resource property will be in conservation easements," Hackett said.

NRLT helps property owners like Hackett to find the best arrangement for the future of their land.

One of NRLT's current projects is the "Six Rivers to the Sea" initiative, in which NRLT works with large ranchland owners from the Six Rivers National Forest to the ocean to establish large conservation easements. Most of the landowners have come to NRLT voluntarily, but NRLT is focusing on reaching out through education to notify more people about the option.

"Sometimes a conservation easement relieves the tax burden, or the inheritance tax," Petruzzi said. "Sometimes the only way to keep the land in the family after an inheritance is to sell some easements; otherwise, they might have to break the land up in parcels and sell some or all of it."

"Also, landowners often want to ensure that their land remains as it is in the future, and isn't developed."

The Freshwater Farms project is one project NRLT describes as its successes.

Freshwater Farms consists of 54 acres of former tidelands that NRLT acquired in 2005. The land is located along Ryan Slough that flows into Humboldt Bay. NRLT hopes to nurture salmon production by reestablishing a natural tidal flow, as well as restoring the land's agricultural values.

NRLT said it is aware that the conservation of land is tied to the economic future, and recognizes the importance of each for the future of the North Coast.

"It's not that we are anti-business; obviously, business is important, and there needs to be growth for a healthy economy," Petruzzi said. "We just want to make sure that we preserve our economic and ecological resources. Part of it is landscape conservation, to preserve the environment, but it is also to make sure that our children have the same resources."

"Our job is really building community around conservation to ensure the future of the North Coast, to make sure that our children have the same resources," Petruzzi said.

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