Includes 2002 Farm Bill resources

Purchase of Development Rights

CONSERVING LANDS, PRESERVING WESTERN LIVELIHOODS

published by

Western Governors' Association,

The Trust for Public Land,

and National Cattlemen's Beef Association

June 2002

Dear Friend:

In 2001 Western Governors' Association, Trust for Public Land and National Cattlemen's Beef Association jointly published *Purchase of Development Rights: Conserving Lands, Preserving Western Livelihoods*.

The demand for the publication was so significant that we are republishing *Purchase of Development Rights: Preserving Western Livelihoods*.

And we are republishing it now in order to provide timely details on purchase of development rights (PDR) funding that is newly available in the historic 2002 Farm Bill. In addition, we are providing complete updates on existing state PDR programs in the West. This new information will be of great use to landowners and communities seeking to locate additional public funding for PDR.

This report focuses on the protection of our traditional agricultural economy and the protection of our glorious natural landscapes. PDR transactions continue to provide private landowners a tool in their efforts to maintain working landscapes. These voluntary incentive-based, non-regulatory techniques have helped protect prime farm and ranch lands and to limit the fragmentation of the open space we love.

Please read this short document and then pass it along to a rancher, a legislator, or a friend who cares deeply about the future of the Western landscape.

Sincerely,

Governor Judy Martz, Montana
Vice Chairman
Western Governors' Association

Will Rogers, California
President
The Trust for Public Land

Lynn Cornwell, Montana
President
National Cattlemen's
Beef Association

Purchase of Development Rights

Conserving Lands, Preserving Western Livelihoods

A publication of the
Western Governors' Association,
The Trust for Public Land, and
National Cattlemen's Beef Association

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Executive Summary

Bob Sharp

Agriculture is a way of life in the West. Ranching and farming are at the heart of Western culture and tradition. Working the vast, open landscapes of the West is both what brought the first wave of settlers into this region and how our communities and states came to flourish.

Today, change is evident throughout the West. In recent years, people have moved to Western states in record numbers, attracted to the stunning vistas, wide open spaces, and rural lifestyles. This trend is undercutting the very qualities that newcomers seek and that Westerners have long prized, as sprawling development consumes the unique character of Western landscapes and rural communities. The demand for rural home sites is increasing land prices, but is also threatening to fragment the large landscapes required to support agricultural livelihoods, healthy watersheds, and native plants and animals. In the last two decades alone, over one million acres of rangeland in the Greater Yellowstone area have been split into plots of 200 acres or less.[1]

Westerners are finding that they must be highly innovative in conserving working landscapes and private lands while the opportunity still exists. Landowners need flexible tools that can help protect the landscapes on which their livelihoods depend.

It is the purpose of this paper to explain one such technique—purchase of development rights (PDR) transactions—and to describe the programs that are being developed to make it more widely available to Western landowners.

A well-established means to conserve working lands. PDR programs[2] began in the 1970s when communities in the eastern United States, alarmed at the loss of the farms that supplied food and fiber locally, decided to do something to protect their remaining farmland and open space from sprawl. They instituted public finance measures that could fund the acquisition and retirement of development rights in order to preserve agricultural lands in perpetuity. Community members worked with their elected officials to establish municipal, county, state, federal, and privately-sponsored PDR programs that enabled private landowners to partner with the public in the preservation of farms for agriculture as well as to preserve scenic beauty, wildlife habitat, watershed functions, and recreational opportunities. Through PDR programs, the public provides a cash payment to a landowner for the value of the development rights associated with a land parcel. The owner still owns the land, but is compensated for relinquishing the right to develop it as real estate. Agriculture and other uses of the land continue. For the public, PDR programs enable land conservation at a much-reduced expense, as the cost of PDR is less than outright purchase of land, and costs associated with subsequent management of the land remain the responsibility of the landowner.

In the decade from 1982, more than one million acres per year of agricultural land across the greater United States were converted to residential and other development, one-third of which were classified as prime and unique farmland. From 1992 to 1997, the conversion rate doubled, with 11.2 million acres converted into developed lands.

The Natural Resources Conservation Service *National Resources Inventory* December, 2000

A flexible approach that meets the unique needs of Western lands and communities. The open and semi-arid landscapes in the West are quite different from those in the East, and this has resulted in two major differences in land ownership patterns among western states, with important implications for land conservation.

- **Much larger tracts of working land are required to support a single family.** In this drought-prone region, ranchers historically needed to acquire access to large tracts of land in order to feed and water enough cattle to establish economically-viable operations. Consequently, a mixed-tenure system developed in the West that tied private lands to public. Many ranchers coupled the purchase of a base property—typically fertile bottomlands with important riparian corridors and wetlands—with forage-leasing arrangements on federal and state lands to create a single ranch operation.
    - One important implication of this practice is that deeded base properties border public lands and serve as important buffers. However, the base properties also

[1] Greater Yellowstone Coalition.

[2] Often called PACE programs in the East (for purchase of agricultural conservation easements). "PACE" is sometimes used inter changeably with "PDR," but often PACE programs focus exclusively on protection of agricultural lands for agricultural purposes, while PDR is not solely restricted to agricultural lands. PACE programs are also used to preclude the possibility of future development even if current agricultural zoning does not allow development.

become very desirable for real estate development because of their proximity to beautiful landscapes that will not be developed. And these properties that may be developed contain areas of great importance to species diversity and healthy watershed functioning.

- A second implication is that the deeded portion of the ranch is usually considerably larger than individual agricultural land holdings in other areas of the United States with more rainfall. Certainly this is true for ranches that are entirely privately-owned. As a result, outright purchase of land for conservation can be prohibitively expensive in the West. A recent PDR transaction in Arizona, for example, involved a 22,000-acre ranch in the San Rafael Valley. A transaction in Utah involved 7,300 acres.

- The West boasts an abundance of majestic landscapes that have already been protected from development as national parks, forests, and other lands under federal government ownership. With a significant amount of land in the region already owned by the government, Westerners are looking for land protection alternatives that leave private lands in private hands.

PDR makes economic sense in the West: it is a compensatory approach to conservation that protects land from development pressure at prices that are more affordable for the public than outright purchase, and it helps keep farmers and ranchers on the land, providing essential stewardship and contributing to the tax base.

PDR transactions and PDR programs can serve the unique needs of the West by creating voluntary, market-based, private land conservation options.

PDR enables landowners to exercise their personal choices, and gain the satisfaction that they have made financially advantageous decisions while preserving an important legacy for future generations.

Luther Propst
Executive Director
Sonoran Institute

Dan Daggett

I. How PDR is Helping Western Landowners Achieve Personal and Financial Goals

Merv Coleman

Owners of working landscapes in the West find themselves pivoting between two interests. They want to work and live on the land, and in many cases have spent a lifetime protecting its natural and productive values. At the same time, they have invested in land and may want, or need, to realize a reasonable return on their investment through its development value.[3]

The good news for private landowners in many parts of the West is that the increasing demand for ranchettes and other real-estate development is increasing the economic value of their land. But this also leads to an uncomfortable dilemma for ranchers and farmers because often their preferred economic use is incompatible with development. However, as staying on the land becomes more expensive, private landowners feel increasing pressure to sell to developers.

PDR transactions provide one way out of this dilemma by giving private landowners a way to realize the development value of their land without having to develop it. Landowners can sell part or all of the development rights on their property and use the proceeds for a variety of individual needs to keep their family on the land. Ranchers have reduced debt and property taxes, expanded or modernized operations, invested for retirement, and/or settled estates with their PDR proceeds.

How an Individual PDR Transaction Works

PDR transactions are completely voluntary for landowners. They are undertaken only when a landowner believes it is in his or her best interest to do so. The purpose of a PDR transaction is to help private landowners shield working and other privately-owned landscapes from development pressures through compensatory approaches to conservation.

Just as water rights attached to a parcel of land have long been bought and sold in the West, the right to subdivide and develop a piece of property can be bought and sold. A willing landowner can sell the development rights of a property to a qualified conservation entity, such as a nonprofit land trust, public agency, or historic preservation organization. Development rights are sold and extinguished as part of a PDR transaction. That places a conservation easement on the parcel. The landowner retains full ownership and use of the property for purposes other than real-estate development.

The value of the development rights on a parcel is determined by subtracting the estimated sale price of the property with a conservation easement in place from the current market value of the property with its development rights intact, taking into consideration any reserved rights. Since the value of the property is typically reduced by 40-75 percent when the development rights have been extinguished, landowners are finding that PDR can provide a helpful solution to inheritance tax dilemmas.

A large portion of private land in the West is owned by farmers and ranchers. Much of that land is expected to pass from one generation to the next, or to new owners, during the next 20 years. Decisions that will be made about these lands are long-term if not permanent, and will require thoughtful planning by both landowners and communities.

Reeves Brown,
Brown Ranch,
Sand Springs, Montana

[3] Ranching and farming investments in the land include not only the initial purchase price but also the agricultural improvements, management, and opportunity costs.

The Relationship between PDR and Conservation Easements

The relationship between PDR and conservation easements is often a source of confusion. Often the terms are used interchangeably. But conservation easements can be both sold and donated, and they can be used for purposes other than retiring development rights.

Owning a piece of property may be thought of as owning a bundle of sticks. Each stick represents a particular right that the property owner possesses, such as the rights to mineral and water rights, and the rights to construct buildings, subdivide the property, harvest timber, hunt, fish, and to exclude trespassers.

If one stick in the bundle is sold to allow someone else a particular use of the property, that sale is usually called an "easement." Typically, easements are given or sold for road or utility access across private property to other private property. "Conservation easement" is the general term for an easement that results in the conservation of some natural resource by restricting or prohibiting a specific type of land use. Unlike access easements, conservation easements do not require provision of access, though a willing landowner may grant access for specific purposes as part of their agreement.

In a PDR transaction, a qualified conservation entity may purchase and extinguish the development rights from a property owner by purchasing a conservation easement that restricts home site and commercial building development while continuing to allow agricultural, recreational, and other uses. The conservation easement is the legal instrument by which the development rights are conveyed to the qualified conservation entity. When people refer to "PDR," they are referring to the purchase and restriction of development rights using a conservation easement, and they are specifying that the development rights are to be paid for rather than donated.

The conservation easement need not hamper the future economic viablity of working landscapes. Indeed, the PDR transaction can help secure the operation with the cash realized from the sale of development rights.

Keeping the Ranch in the Family

Bob and Bunny Patterson knew that more than anything else they wanted to keep the family ranch intact. While wading through a morass of estate planning issues, their challenge at the end of the day was to be able to ranch for profit while ensuring that the next generation would be in place to benefit from their planning. After reaching consensus through a series of family meetings, they met with the Colorado Cattlemen's Agricultural Land Trust (CCALT) about the potential of selling the development rights on their three adjoining family ranches in southeastern Colorado. Bob and Bunny note, "We are very proud of the easement on our family ranch. Our family goal is to keep the ranch in the family and in production agriculture. PDR has let us capitalize on a value that we will never use. This has made it possible for two of our children to be in the operation now and it will make it easier to pass it on to future generations. We feel we have preserved the future of our land and we still have full ownership and control." All this family gave up is the right to develop this property in the future, while retaining several future homesites on the ranch to accommodate their growing family. Because of significant natural features and the wildlife habitat on their ranches, CCALT was able to secure funding and support from Great Outdoors Colorado, the National Fish & Wildlife Foundation, the Gates Family Foundation, the Conservation Fund, and Colorado Open Lands.

Private Decisions to Save Land

Through PDR, the landowner can raise some money without losing control or ownership of the land itself. If farmers or ranchers can get full value for their land by selling the development rights into a public program, the continued highest value for the land will be agriculture or timber. That stems the loss of open space and suburban sprawl. Plus, purchasing development rights is a way to achieve widespread permanent protection of the landscape without the kind of controversy that regulation brings with it.

Ernest Cook,
Senior Vice President
The Trust for Public Land

How a PDR Transaction is Conducted

The specific development rights that the landowner will forego or restrict in a PDR sale are fully negotiable between the landowner and qualified conservation entity, allowing terms to be tailored to meet the needs of the landowner and to preserve the property. For example, while generally restricting subdivision, landowners may want to reserve the right to develop a limited number of homesites for their children or to sell to buyers looking for rural homesites. Or landowners may want to list a set of activities that they feel must be allowed to continue in order to keep the land economically viable—usually these include farming or ranching. The purchaser will require the right to monitor the property periodically to ensure that the landowners are meeting the terms of the easement. All of this is negotiated as part of the PDR transaction, allowing flexibility to meet the unique needs of individual landowners.

What if the Landowner Later Decides to Sell the Tract of Land?

In the case of a sale, easements go with the land, not the landowner. The current—and all future—owners are bound by the terms of the conservation easement, as with other kinds of easements. Easements are recorded in county or town records offices so that future buyers and lenders will know about the easement when a title report is consulted.

Are There Buyers for Land with Existing Conservation Easements?

Among buyers for land with existing conservation easements are young ranchers who cannot afford to pay for ranchland at its developable price—the next generation of ranchers. And as the demand for rural property and lifestyles has risen with the increasing population in the West, "conservation buyers" looking for tracts of land with intact natural values find land with existing conservation easements especially attractive. And in the future, the price of these properties can still rise as the supply of large, undeveloped tracts of land in the West shrinks and the demand stays constant or increases.

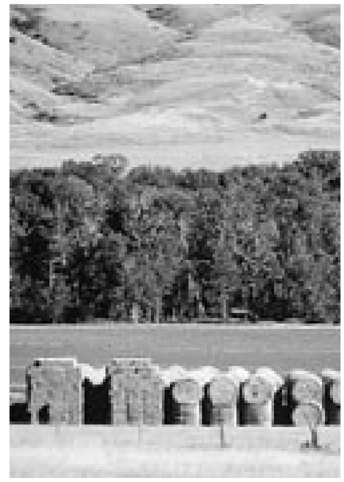
Land Made Affordable by PDR

Eric and Jean Schwennesen actively looked for land that they could buy with an existing conservation easement in place because it was the only affordable alternative acceptable to them. When they purchased their Double Check Ranch in Arizona, The Nature Conservancy purchased a conservation easement from the seller at the same time and held it until the Bureau of Land Management could complete the requirements to receive the easement as part of its riparian area protection program along the San Pedro River. Jean notes, "Normally you have to pay for the development rights whether you intend to use them or not. You can end up forced to develop or to shoulder the financial burden of maintaining the open space that the public values." With the conservation easement in place, the purchase of the property became a ranch business decision rather than a real-estate decision. The seller in this transaction received the full market value of the land with development rights intact at the point of sale. The PDR part of the transaction was initiated by the buyer, so that, in effect, there were two buyers in this single land transaction.

PDR is a tool that can also be used by willing buyers.

Creating a PDR Transaction that is a Partial Sale and Partial Donation of the Development Rights

Many landowners are finding the right mix of desired tax benefits and cash proceeds by creating a PDR transaction that is a partial sale and a partial donation of the development rights. When a landowner sells the development rights for less than their full value, it is called a "bargain sale," and the difference becomes a tax-deductible charitable donation.[4] Bargain sales can reduce inheritance taxes while providing cash to settle the estate and keep the ranch intact. PDR, donation of conservation easements, or a mix of these options can provide many different avenues of tax relief. Tax advisors who are familiar with these instruments can explain the options in detail.



Bob Sharp

How Can Landowners Evaluate Whether PDR Might Be a Useful Approach for Them?

The first step is for families to identify and write down goals for their family and their land. They are then in a position to seek expert advice to help them decide whether PDR might be the right tool to help them achieve those goals.[5] PDR is not for everyone, but it has proved invaluable for many landowners across the United States.

Tailoring PDR to Meet Individual Needs

Mike and Lisa Bay were purchasing the family ranch in Wolf Creek, Montana, and they needed cash to capitalize their ranching operation.They heard about the Montana Department of Fish, Wildlife, and Parks' Habitat Montana Program, which purchases conservation easements from private landowners. They decided to sell the development rights on their ranch to the program, and received a cash payment of 40 percent of the appraised value of the ranch. Lisa says, "We had no intention of subdividing our property because we strongly believe in open space preservation, and we wanted to provide a model in our area for keeping agricultural lands in agricultural use." They also think that the transaction will help ease the transition from one generation to the next, because with the development rights retired, the estate value is lowered. As part of their PDR transaction with the Habitat Montana Program, they also agreed to allow a certain number of hunting days per year on their ranch and to maintain a rest/rotation management plan. The transaction was completed in 1995, and they remain pleased about it. They report that another rancher up the creek from them has also sold the development rights on his property.

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4 Not to exceed 30 percent of adjusted gross income in the year of donation and for five years thereafter if all the benefit is not captured in the first year.

5 A partial listing of organizations with expertise in land protection tools is included in Appendix B.

PDR Provides a Solution for a 50-member Family-owned Corporation

The Peaceful Valley Ranch outside Salt Lake City, Utah, has significant historic, cultural, and natural values. The Donner-Reed Trail, Mormon Pioneer Trail, California Trail, Overland Stage Trail, and the Pony Express all pass through the Ranch. The Ranch also contains a large portion of the watershed for the East Canyon Reservoir.

The ranch is owned by a family corporation with over 50 shareholders. One side of the family lives and works the 7300-acre ranch, and the other side lives in the eastern United States and has been less connected to the land in recent years. Financial difficulties on the eastern side created pressure for sale of the ranch, and the family was looking for a solution. PDR looked promising, but the amount of funds required to purchase the development rights at full value was prohibitive.

Many of the family members retain close ties to the ranch, and the ranch company agreed to donate a significant part of the development rights in order to keep it intact. The transaction was assisted by the Trust for Public Land, and occurred in two phases. In the first, a conservation easement was sold on 1,790 acres. The federal government's Forest Legacy Program provided $900,000 to pay for the easement. In the second phase, a conservation easement was sold on the remaining 5,510 acres for $1.6 million. The full value of the easements was appraised at $6.4 million, of which the ranch company donated $3.9 million. This ranch preservation project was the first to receive funding from the Utah Quality Growth Act, which provided $750,000. The remaining amount was raised through efforts by the Trust for Public Land, Utah Open Lands, the Rocky Mountain Elk Foundation, and several private foundations.

You can read the full story on their Web site at: www.savetheranch.com

PDR is a flexible tool that is useful to landowners in a variety of situations they face in the West. Right now, however, it's a significant challenge to find qualified entities with adequate funds to meet increasing demand from landowners who want to sell development rights. If Westerners want to protect properties with significant agricultural, cultural, recreational and open space values, we will all need to work together to develop sufficient dedicated funding. Then, PDR programs can really help.

Jeff Jones
Rocky Mountain Regional Director
American Farmland Trust

II. PDR Programs: Landowners Partnering with the Public to Achieve Common Goals

PDR programs provide funds and develop procedures that help landowners and the public complete PDR transactions to achieve mutually desired goals.

Josh Schachter

- **PDR programs provide practical, bottom-line assistance to landowners.**

  When a landowner realizes a financial need that could be solved using PDR, the existence of a PDR program means that the capacity to complete the transaction is already in place. The landowner does not have to do the time-consuming tasks of locating or even creating a funding source and a qualified conservation entity to hold the easement, as did the PDR pioneers.

- **PDR programs with public financing provide a way for private landowners to partner with neighbors and their communities to protect land from development.**

  The public has a stake in the preservation of working landscapes for a variety of reasons, including keeping locally-grown food and fiber available; maintaining scenic and historic landscapes; and protecting watersheds, wildlife habitat, and recreational opportunities. It would be unfair to expect landowners to bear the full cost and responsibility for open space protection in the West by voluntarily forgoing the development value of their land. PDR programs allow the costs of conserving private lands for agricultural and open space values to be shared by all the beneficiaries—landowners, their communities, and the public as a whole. Furthermore, PDR programs can increase public understanding and support for the many benefits that farms and ranches bring to both urban and rural communities.

- **PDR programs may actually save money for communities in the long run.**[6]

  American Farmland Trust (AFT) has noted that Montgomery County, Maryland, saved nearly half-a-billion dollars in infrastructure costs by spending $50 million to purchase conservation easements on blocks of contiguous farmland. A 2000 survey of studies examining the cost of community services in 70 communities across the United States found that for every tax dollar collected from residential land uses, local governments spent $1.15 on average for provision of services. In contrast, for each tax dollar received from agricultural land uses, local governments spent only 37 cents for services.[7]

Across the United States, a wide variety of municipal, county, state, and private PDR programs exist, and are tailored by local communities and individual states to meet unique local and regional needs. Generally, state, county, or municipal levels of government administer the programs. In some cases, counties may have independent programs where no state program exists, or the state may also have a program to purchase development rights that is independent of local programs. In other cases, state and local programs may work together to leverage a mix of public funds and/or create the right combination of local self-determination and regional-planning capability.

Public PDR programs may receive and hold the conservation easement conveyed in a PDR transaction, but they often partner with private organizations to accomplish their protection goals. Private, nonprofit land trusts and land conservation organizations are local, regional, statewide, or national organizations[8] that work with landowners to protect important landscapes. These organizations serve many functions in a community, including providing technical assistance and information, and facilitating purchases. Land trusts typically receive and hold conservation easements in perpetuity. Many have relied on donation of easements, but increasingly, as public money is becoming available for PDR programs, purchased easements will constitute a portion of their holdings.

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6 From the Sonoran Institute's 1997 publication, *Preserving Working Ranches in the West.*

7 Costs vary by community. For example, in Gallatin County, Montana, $1.45 is spent for residential services, while 25 cents is spent for ranch and farmlands per dollar of property tax revenue. A full report is available on AFT's Web site.

8 The Land Trust Alliance maintains a comprehensive listing of land conservations organizations on their Web site.

Contact information for these organizations is given in Appendix B.

How PDR Programs Work

PDR programs are completely voluntary. Landowners decide for themselves whether to take advantage of a program in order to meet their individual needs. Willing landowners apply to a program to sell the development rights on all or part of their property.

Every program that exists today has many more applicants than funding, making it necessary for landowners and community members to work together to address how applications should be prioritized as they establish their programs. They determine the criteria for evaluating landowner applications and often develop a standardized scorecard that typically rates:

- the cost of the easement,
- development pressures on the land,
- productivity for agricultural and other economic uses,
- the condition of the land in general,
- environmental and cultural benefits of preservation,
- proximity to other preserved lands,
- amount of landowner donation of the value of the easement, and
- leverage of matching funds coming from other funding entities.

Programs have tended to favor protection of agriculturally-based communities, watersheds, and habitat corridors rather than creating small islands of individually conserved properties that can be surrounded by subdivision. This practice helps to preserve ranching and farming infrastructure as well as intact ecological systems that support wildlife and recreational opportunities.

How PDR Programs are Funded

PDR programs report that their biggest challenge is meeting the demand for PDR. Even the most active programs are not able to keep up with landowner applicants waiting to sell their development rights. American Farmland Trust reports that for every landowner who sold easements to state or local programs in 1995, six others were turned away for lack of funding. The dire need to create substantial, dedicated funding sources for state and local PDR programs can hardly be overstated.

States and localities have created PDR programs and used a wide variety of means to fund them. Voters in both local and state elections have proved very willing to tax themselves to support land conservation measures.

The most common financing mechanisms at the state level across the United States have been annual appropriations, dedicated lottery revenues, and bonds directly authorized by the legislature or by voter referendum. Often funding for programs at both state and local levels has been achieved through a combination of several financing mechanisms, some quite innovative.[9] For examples:

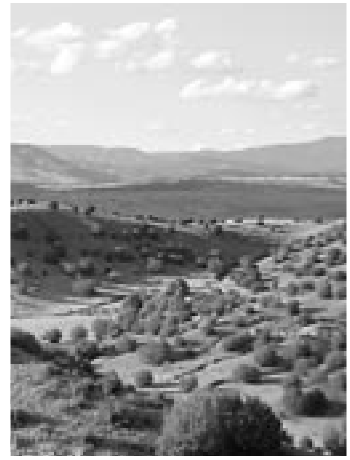
- Montana established a rancher-friendly program funded with fishing and hunting license fees, and voters in Missoula and Helena each approved $5 million in bonds backed by

Roundup Programs

Funding mechanisms can be quite creative. Miles Rademann of Park City, Utah suggests an intriguing approach called “roundup.” This practice joins state, county, and local governments with special service districts, corporations, utilities, and other entities and organizations that bill a large number of customers on a regular basis. Each organization asks their customers if they would permit their monthly, quarterly, or yearly bills to be “rounded up” to the next higher dollar amount, with the money earmarked for PDR programs.

property tax increases to fund parks, recreation, and open space programs. In 1999, the Montana Agricultural Heritage Program was created with an initial general fund allocation of $1 million.

- Douglas County, Colorado, one of the country's fastest growing counties, approved a $25-million revenue bond backed by a sales/use tax to preserve open space in 1996.
- In Davis, California, developers pay for PDR programs through a unique farmland mitigation program. They are allowed to develop properties in appropriate areas if they help pay for open space mitigation through funding PDR on properties in other areas.
- In Bernalillo County, New Mexico, voters approved a two-year half of 1 percent sales tax increase to fund open space preservation in 1998.
- In Carson City, Nevada, voters passed a half of 1 percent "quality of life" sales/use tax for parks, trails, and open space acquisition in 1996.
- Kentucky allows urban counties to fund their PDR programs by: an *ad valorem* tax; a license fee on franchises, trades and professions, room taxes; or a combination of those options, chosen in a local referendum.
- Several counties in Maryland use local real-estate transfer taxes supplemented by general fund appropriations to finance their PDR programs.
- Pennsylvania levies a cigarette tax.
- Maine has a state-sponsored credit card that raises money to acquire important natural resource lands, including farmland.
- Virginia Beach, Virginia, raises money for its PDR program from a cellular phone tax, a dedicated 1.5 percent increase in local property taxes, and county appropriations.



KATHE MCCOY

The wide variety of programs and their funding packages testify to the compelling story of these efforts: They are locally grown programs that develop as a result of private landowners, elected officials, and community members having conversations about the unique values they would like to preserve and finding creative ways to realize their vision.

A Key Strategy: Leveraging of Funds

Landowners and their communities face a seemingly daunting task in developing adequate levels of funding to meet their program goals. But while communities may think that they cannot accomplish their land protection goals unless they raise large amounts of money locally, the experience of Routt County, Colorado, proves otherwise. This County's PDR program currently raises $450,000 per year with a one-mil[10] property tax increase, but this relatively small amount has brought in an additional $3.2 million by leveraging start-up funds and matching grant programs from a state-wide lottery-funded program called Great Outdoors Colorado (GOCO), the Colorado Division of Wildlife, the USDA Farmland Protection Program, The Nature Conservancy, and the Yampa Valley Land Trust.

How Leveraging Works

State PDR programs and private funders may offer challenge grants to encourage local communities to create new funding sources. That is, they encourage communities to create local funding mechanisms in order to secure matching private dollars for conservation. Local PDR programs may also find matching funds through federal easement programs such as the Farmland Protection Program, the Conservation Reserve Enhancement Program, and the Forest Legacy Program. Funding from one source leverages funding from others, and the result is more money to protect working landscapes.

9 Many of these programs are described in *Holding Our Ground: Protecting America's Farms and Farmland*, by Tom Daniels and Deborah Bowers, published by Island Press (1997).

10 A "mil" is one tenth of a penny per dollar of property value, e.g. $10 per $100,000 of property value.

III. Development of PDR Programs in the West

Soon after the creation of the country's first PDR programs in the eastern United States, communities across the West began to develop PDR programs as an effective, landowner-friendly means to preserve working landscapes.

The First Program in the West

The Farmland Preservation Program in King County, Washington, was initiated by concerned landowners in 1978 and designed to leave ownership of land in private hands and ensure locally-grown agricultural products. Through a voter-approved bond of $50 million, development rights for 13,000 acres have been acquired. Farmers have benefited from their proximity to markets in surrounding cities, and as a result, business within the farming community is thriving. The program stopped acquiring easements in 1987 when the funds were fully spent, but it continues to monitor its existing easements.

The Colorado Experience

A very popular tourist and recreation destination, Colorado experienced the effects of sprawl and landscape fragmentation earlier than most other Western states. In response, its residents have worked to create policy tools and programs that will help preserve its magnificent landscapes and rural heritage. The diversity of efforts is instructive.

- Colorado voters approved the establishment of a trust fund in 1992, called Great Outdoors Colorado (GOCO).

  GOCO receives a portion of Colorado Lottery proceeds—approximately $35 million per year—and awards grants for outdoor recreation, wildlife, and open space acquisition. Since its first grant awards in 1994, GOCO has helped to conserve over 328,756 acres of open space, including 161,119 acres of agricultural land. PDR has been a prominent technique for conservation. The program requires matching funds from applicants.

- Some of the earliest local efforts to use PDR occurred in Routt County

  Routt County (which includes Steamboat Springs) faced increasing development pressure and a proposal for a huge new ski resort in the area.

  In 1990, citizens started holding a series of meetings about the future direction of Routt County. The meetings were between ranchers, farmers, other business owners, environmentalists, and conservationists who realized that they wanted the same thing: a community that treasured its open space and valued its agricultural and ranching traditions. These meetings led to the 1992 establishment of the Yampa Valley Land Trust (YVLT), and several citizen-driven open lands protection efforts in the county. In addition, open space recommendations were made through the Open Space Planning Committee of the 1992-93 local government-endorsed Vision 2020 planning process. These recomendations led to the Routt County Open Lands Plan, completed in 1993-95, that includes protection options for ranchland, and the establishment of a countywide PDR program, in effect by 1996.

Josh Schachter

  In 1993, neighbors in the county's Upper Elk River Valley began to use conservation easements as a tool to maintain the rural and agricultural nature of their community. This versatile tool met individual needs in

various ways. Jay and Gael Fetcher were facing a massive estate tax problem because of escalating land values, and reduced the problem by donating an easement on 1300 acres. Steve Stranahan and Ken Jones, partners in a 500-acre guest ranch operation, recognized that housing development would threaten their business, as the beautiful surroundings and natural setting were what attracted clientele. They bought an agricultural buffer around their ranch, but soon realized that strategy would only take them so far. They worked with Marty Zeller, a land conservation consultant from Denver, and the Fetchers to interest other neighbors in using conservation easements and, as a good faith gesture, donated an easement on their property. Neighbor Mary Mosher then donated an easement on her 800 acres because she wanted to leave intact the character of the landscape for her children to enjoy. Another set of neighbors preferred to sell their development rights and initiated a search for grant funding. These efforts eventually led to the formation of Yampa Valley Land Trust and the Colorado Cattlemen's Agricultural Land Trust (described below), which, along with American Farmland Trust, now hold easements protecting 6,600 acres in the Valley, including donations from three additional neighbors.

In 1995, a coalition of ranchers, builders, business leaders, conservationists, and local government officials spearheaded a countywide PDR campaign. In 1996 local residents passed a one-mil property tax increase to finance the PDR program, of which more than 55 percent will come from out-of-state residents and corporations. The criteria used to evaluate applications to the PDR program include the amount of owner contribution, quality of land resources, economic viability, multiple community values, and circumstances affecting continued agricultural operation. YVLT and The Nature Conservancy have been the sponsoring land conservation organizations of the projects reviewed for consideration and, with the County Extension Office, have been invaluable ongoing partners, lending knowledge, connections, and direction to the program.

> We are the stewards of Colorado's future. For the sake of our children and grandchildren, we must preserve Colorado's natural beauty and provide opportunities for future generations to pursue their own dreams. Our task is to protect our special Colorado way of life.
>
> Governor Bill Owens
> Colorado

- In 1995, the Colorado Cattlemen's Agricultural Land Trust (CCALT) was created by the Colorado Cattlemen's Association.

CCALT was the first agricultural land trust in the country formed by mainstream producers. They created CCALT to provide a local, agriculturally-focused conservation partner for Colorado ranchers who were faced with growing development and economic pressures, and to encourage continued agricultural production for the benefit of everyone. CCALT's primary emphasis is to increase awareness among agricultural landowners about the use of conservation easements as a means of protecting land and facilitating the inter-generational transfer of productive lands. Of over 30 land trusts in Colorado, only CCALT specifically serves the needs of the broader agricultural community. CCALT is completing its first PDR projects protecting 21,500 acres with funding from GOCO, the National Fish and Wildlife Foundation, Gates Family Foundation, the Conservation Fund, Colorado Department of Wildlife, the U.S. Bureau of Land Management, and the U.S. Forest Service.

- In Gunnison County, a biologist and a local rancher founded the Gunnison Ranchland Conservation Legacy program.

They developed this PDR program after mapping agricultural lands in production in Tomichi Creek Valley, Ohio Creek Valley, and East River Valley from the town of Sargents to Crested Butte, noting lands at greatest risk for development. The pair traveled the county explaining the possibilities of a PDR program to local ranchers, and 74 of the 75 ranchers in the valleys were interested in developing a program. The Gunnison Ranchland Conservation Legacy program received a grant of $1.2 million from GOCO to fund its first phase, dependent on $125,000 in local matching funds. A proposal to use a

fraction of the local sales tax to back a bond issue for the matching funds was supported by the towns of Crested Butte and Mount Crested Butte but rejected by the Gunnison City Council. In response, Gunnison County put an issue on the November 1997 ballot to establish a land conservation fund using part of the Gunnison County towns' share of sales tax revenues. County voters approved the measure, and the Ranchland Conservation Legacy program applies for grants from that fund. As of October 2000, there are 15 easements protecting 6,032 acres, and 35 ranchers are on the waiting list for funding. The ranchers all agreed that the program should operate on a first-come, first-served basis, each landowner donates 25 percent of the development rights, and landowners should choose the land trust that will hold their easement. CCALT holds almost all of the easements.

Other Efforts in the West

The past three years have seen a lot of PDR activity in other Western states. Montana and Utah now have state-level programs with funding. The Arizona Legislature passed enabling legislation in 2000. And local land trust organizations are being created in virtually every Western state, two of which have been formed by producers—the California Rangeland Trust and the Wyoming Stock Growers Agricultural Land Trust. Descriptions of existing PDR programs by state and lists of land trusts and land conservation organizations that can help are included in the appendices to this report.

We will have to help people who are on the land feel good about stewardship, and that they are in control of their own choices so they can pass something along to their children that is better than what they received.

Governor Jim Geringer
Wyoming

IV. How Might PDR Get Started in Other Communities and States?

PDR Programs Develop and Succeed in the West Largely through the Efforts of Rural Landowners and Local Governments

The needs of landowners motivate the search for effective conservation tools. In a number of places, rural residents have been able to complete their individual PDR transactions with the help of real estate experts and private land conservation organizations familiar with PDR. These partners help secure funds and facilitate complicated transactions.

As the profound implications of sprawl dawn on communities in the West, the public is becoming more receptive to funding the protection of open space through the conservation of farm and ranch lands. Many groups and individuals who were previously at odds are recognizing that they want many of the same things and are working together to achieve common goals. They are collaborating with local governments to build on the success of individual transactions by creating PDR programs.

State-level Leadership is Crucial

The most significant step that state-level policymakers can take is to sponsor legislation to create a statewide PDR program with a substantial, dedicated source of funding. The state program can then be used to help counties and municipalities develop and fund locally-tailored programs. States that do not currently allow counties and municipalities to levy additional taxes to fund open space preservation need to consider passing enabling legislation so that voters can make that choice.

Partnership Opportunities with Private Organizations are Key

Private land conservation organizations can work with communities to help establish programs in new areas, using a challenge grant approach to encourage local communities to develop programs. These groups can provide expertise in partnership and funding development.

In 1998, for example, the Trust for Public Land (TPL) assisted two New Mexico counties — Bernalillo and Santa Fe — in utilizing new state constitutional authority to pass general obligation bonds, raising $20 million for PDR and other land protection efforts. During that same year, TPL provided assistance to Utah Governor Mike Leavitt and others in passing the Utah Quality Growth Act, which provided $3 million for land conservation.

Ranchers are in a prominent position to make a difference. The future of your land, your neighborhood, and your agricultural community is being decided day-by-day, parcel-by-parcel, by landowners like you. The future of each ranch is important to the future of all others. How you and your neighbors exercise your private property rights will determine the future of agriculture and rural landscapes.

from the CCALT's *Keeping the Family in the Family Ranch,* 1997

Bob Sharp

In 1999, TPL assisted local leaders in gaining the passage of a $256-million open space bond measure in Phoenix, Arizona, and ballot measures in four Colorado counties, including a $170-million measure in Larimer County and a $35-million measure, primarily for farmland protection, in Adams County.

Susan Dorsey Otis - YVLT File

In the November 2000 elections, TPL assisted communities with the passage of six separate finance measures in four Western states, amounting to a total of $237 million in new funding for PDR programs. These measures were among the 40 that TPL supported and that were approved by voters across the country on November 7, 2000. The amount of new funding dedicated for open space in all categories across the United States, including the $237 million for PDR in the Western states, reached approximately $3.3 billion.

In 2001, TPL assisted with 13 successful measures in six Western states, creating approximately $515 million in new funding for PDR programs. Two of the TPL-supported measures, a $10 million property tax measure in Boise, Idaho and a $4 million sales tax measure in Teton County, Wyoming, are the first local PDR programs in those states. In total, voters across the country approved 137 measures, generating $1.2 billion in public funding for land conservation.

In March 2002, TPL assisted with the passage of Proposition 40 in California, a $2.6 billion bond measure to protect open space including farmland. In April 2002, TPL assisted Santa Fe County, New Mexico in passing a $20 million sales tax measure for open space.

Details on this year's elections, and on past open space and PDR elections, are on-line through LandVote, which is available on the web at www.tpl.org or by calling 617-367-6200.

Landowners and communities are facing an enormous challenge, and the clock is ticking. In the next 20 years, many ranches and farms in the West will be passed on to children or new buyers. Landowners and the public will need flexible tools like PDR to help them secure future landscapes and communities they'd like to inhabit and pass on to future generations.

Will Rogers
President
The Trust for Public Land

We get one shot at this in the American West. When it's all paved over and covered with convenience stores, the opportunity is gone. This is an obligation of a generation...to make certain that the heritage we receive becomes the legacy we leave as well.

Governor Mike Leavitt
Utah

V. Federal Resources for PDR on Private Ranches, Farms, and Forests

Heightened assistance to meet the costs of protecting working lands through PDR is available to landowners and communities.

As communities and states across the West create and utilize PDR programs to protect priority farm, ranch, and forests, the Federal government is becoming a major partner in working lands conservation. With greater amounts of federal funding for PDR, the Federal government is effectively leveraging state, local, and private funding to protect the land base for agriculture and forestry.

Under the new 2002 Farm Bill – the Farm Security and Rural Investment Act of 2002 (Public Law 107-171), the key Federal agencies now possess greater resources to assist landowners and communities in PDR than ever before. In support of voluntary, landowner-approved PDR transactions like those profiled in this report, the Federal government can now contribute a substantial monetary "match" to state and local funding for ranch and farm land protection.

Farmland Protection Program

The major Federal program that funds PDR is the Farmland Protection Program (FPP). Originally created under the 1996 Farm Bill and administered by the Natural Resources Conservation Service (NRCS) of the US Department of Agriculture (USDA), FPP exists to assist ranchers and farmers monetarily to retain the ownership of their land and to enhance the economic viability of their agricultural enterprises.

The program is voluntary and non-regulatory, serving to assist only those individuals and communities already engaged in local projects to protect their working ranch and farm land. The FPP achieves this by providing, in the form of Federal funds, 50 percent of the cost of a permanent conservation easement (development right) on a working ranch or farm. The remaining half of the purchase price comes from the county, land trust, or other non-federal sources.

Thus, like all other PDR transactions, the landowner is afforded the chance to sell development rights but retain title to the land for farming and ranching. The long-term responsibility for working and managing the land remains with the landowner, not with the NRCS or any other Federal agency. This process benefits ranchers and farmers in that they receive direct cash payments in return for the development rights, in turn reduce their property taxes (and also their eventual heirs' estates taxes), and receive strong incentives to keep the land in agriculture forever. By purchasing development rights, states, counties and local communities can ensure that productive land is never lost to development and that the agricultural way of life is maintained.

Since 1996, FPP has provided a total of $53 million in Federal funding, resulting in 108,000 acres being protected through PDR across the United States.

New Opportunities: 2002 Farm Bill and the Farmland Protection Program

On May 13, 2002, President George W. Bush signed into law the 2002 Farm Bill. In addition to many other programs of importance to ranchers and farmers throughout the West, the 2002 Farm Bill provides historic increases in funding for the FPP.

The bill provides $600 million over the six years covered in the bill – a ten-fold increase in the amount of funding for the entire history of the program. This will mean a fundamentally greater impact in the protection of working ranch and farm land in the West – and great opportunities for landowners, counties, and states to leverage resources already being made available for PDR.

Fiscal Year*	Funds Available Under the 2002 Farm Bill
2002	$50 million
2003	$100 million
2004	$125 million
2005	$125 million
2006	$100 million
2007	$97 million

*The Fiscal Year ends on September 30th.

On May 30, 2002, the USDA published in the Federal Register (Volume 67, Number 104) a Notice of Request for Proposals for the 2002 FPP funding. These Federal resources are available immediately and will be awarded on a competitive basis according to national and state criteria. The NRCS and the State Conservationists in each Western State will determine the specific projects that receive funding.

The Federal Register notice states that the NRCS seeks FPP proposals "from federally recognized tribes, states, units of local government, and nongovernmental organizations to cooperate in the acquisition of conservation easements or other interests in farms and ranches. Eligible land includes farm and ranch land that has prime, unique, or other productive soil, or that contains historical or archeological resources. These lands must also be subject to a pending offer from eligible entities for the purposes of protecting topsoil by limiting conversion of that land to nonagricultural uses."

– For more information on applying for FPP funds, please consult TPL, WGA, NCBA, or the NRCS directly (www.nrcs.usda.gov/programs/farmbill/2002/PubNotc.html).

The Forest Legacy Program

Originally authorized in the 1990 Farm Bill, the Forest Legacy Program (FLP) provides matching federal funds to states to assist them in securing conservation easements on working forests threatened with conversion to non-forest uses. This program requires a minimum non-federal match of at least 25 percent of total project cost – meaning that the Federal government may cover as much as 75 percent of the total cost of the protective easement.

Nevada Wier

The FLP differs from the Farmland Protection Program in that it is funded on an annual basis through the Congressional appropriations process, not through the Farm Bill. In order to participate a state voluntarily submits to the Secretary of Agriculture a state FLP plan and an assessment of the state's need for Federal assistance in working forest protection.

When approved by the Secretary, the state FLP plan designates a lead state agency for the program (usually a state forestry agency), identifies the state's criteria for Forest Legacy projects, and cites the geographical regions within which proposed FLP projects must be located. Under the program, states have the option of holding title to land protected with this partial Federal funding. Most states now run the program using the state option.

In the West, the following states are enrolled in the program and are eligible for FLP funding: California, Colorado, Hawaii, Montana, New Mexico, Oregon, Utah, and Washington. (See Appendix A) Several other Western states are in the early stages of the process seeking enrollment in the FLP.

Historically the FLP has received extremely limited funding. After beginning with a low of $2 million in 1997, concerted efforts to improve the funding outlook have been successful, resulting in the current level of $65 million for 2002. In his 2003 budget proposal, President George W. Bush included a recommendation of $70 million for the Forest Legacy Program. For more information, please consult www.fs.fed.us/spf/coop/flp.htm.

Bill Gillette

Other Conservation Programs in the 2002 Farm Bill

In addition to reauthorizing the FPP, the 2002 Farm Bill funds programs that protect productive agricultural land and advance a variety of conservation objectives. Several of these fund PDR but, at the same time, differ from either the FPP or the Forest Legacy Program in that they provide only temporary (or limited "term") easements or that they address agricultural practices rather than the need to keep land from being converted to non-agricultural purposes.

A new Grasslands Reserve Program was created, beginning in 2003, to protect as many as two million acres of ecologically important native and restored prairie. Easements purchased under the program allow for grazing management but prohibit crop production or other surface disturbing activity. The program requires that 60 percent of its funding be used for the purchase of permanent or 30-year term easements. The remaining 40 percent is to be used for 10, 15 or 20-year term agreements.

The existing Wetlands Reserve Program provides funding for the purchase of permanent or 30-year term easements on agricultural wetlands. Under the Farm Bill, sufficient funding is provided for an increase the total enrollment in the program from the current 975,000 acres (which was reached in 2001) to a total of 2,275,000 acres, with per year enrollment limited to 250,000 acres a year. Additionally, the Conservation Reserve Program, an existing program that provides payments to farmers to set aside sensitive lands, is funded for six years. The acreage limit for inclusion is increased to 39.2 million acres from the current 36.4 million.

The existing Environmental Quality Incentives Program provides cost-share assistance to private ranchers and farmers to promote agricultural production and environmental quality by assisting producers in complying with local, state and Federal regulations on soil, water, and air quality; wildlife habitat; and surface and ground water conservation. Further, the existing Wildlife Habitat Incentives Program provides funding for farmers to create and protect wildlife habitat on their property.

Finally, the Conservation Security Program is another new initiative under the Farm Bill. Its purpose is to reward farmers for applying conservation practices to working lands. The program establishes three tiers of conservation practices for which farmers can receive escalating payments.

Across the western United States, and at every level of government — local, state and Federal — there is wide recognition that PDR programs can play an important role in protecting rural livelihoods and landscapes. These are public investments that will benefit future generations of Westerners.

Cynthia Lummis
State Treasurer
Wyoming

Appendix A
PDR Programs and Private Land Trusts by State

Note: we have made every effort to be comprehensive in the following information. If we have inadvertently left out any measures, programs, or local land trusts, we offer our sincerest apologies…and we would like to hear from you! In addition, we have not listed local offices of regional or national land trust organizations that operate in many, if not all, of the states below. Please see Appendix B for a list of these organizations, all of which are excellent resources to consult for PDR programs in local areas, and for general information and technical assistance with PDR transactions.

Alaska

State Program: The state received $400 million as a result of an out-of-court settlement with Exxon for the 1989 oil spill, and set up the Exxon Valdez Oil Spill Trustee Council to manage the funds as an endowment, jointly administered by the state and federal government. A portion of proceeds is used to protect lands through conservation easements. The council has protected 640,000 acres of state-owned land, using conservation easements on one-third.

Private Land Trusts: Great Land Trust (Anchorage), Interior Alaska Land Trust (Fairbanks), Kachemak Heritage Land Trust (Homer), Kodiak Brown Bear Trust (Anchorage), Nushagak/Mulchatna-Wood/Tikchik Land Trust (Dillingham), Southeast Alaska Land Trust (Juneau).

Arizona

State Programs: The State Parks Board administers two programs that can be used for PDR. The Natural Areas Program was created with the passage of the Arizona Heritage Initiative (ARS 41501) in 1990. It receives a percentage of Arizona Lottery proceeds each year for land acquisition, including conservation easements, to conserve unique natural values. Voters established the Arizona Growing Smarter Grant Program in 1998 with the passage of Proposition 303, the Growing Smarter Act. It allocates $220 million over 11 years from the general fund for acquisition or lease of State Trust lands within or near urban areas. The funds can also be used to purchase development rights on trust lands.

Beginning in 1997, the Arizona Common Ground Roundtable sponsored discussions among a diverse group of ranchers, conservationists, scientists, public-agency representatives, and sports enthusiasts to understand the challenges to conservation in the state. The group sent recommendations regarding development of a statewide PDR program to Governor Hull's Growing Smarter Commission, convened in 1998 as part of the Growing Smarter Act. Based on the Commission's recommendations, the legislature passed the Growing Smarter Plus legislative package in 2000, which included the creation of a statewide PDR program, the Development Rights Retirement Fund. This fund will also be administered through the State Parks Board, but funding mechanisms have yet to be developed.

In June 2002, Governor Jane D. Hull signed the Arizona Agricultural Protection Act to enable and facilitate the establishment of agricultural easements to conserve farm or ranch land.

Local Programs: The town of Queen Creek will implement the first local PDR program in the state. Funded with development fees collected on every new home built in Queen Creek, revenues are projected to be $1l1 million per year for the next 10 years. Pending: Pima County is currently developing its Sonoran Desert [Habitat] Conservation Plan and considering creation of a PDR program as part of its implementation plan.

Private Land Trusts: Arizona Open Land Trust (Tucson), Black Mountain Conservancy (Cave Creek), Cascabel Hermitage Association (Tucson), Central Arizona Land Trust (Prescott), Desert Foothills Land Trust (Cave Creek), Grand Canyon Trust (Flagstaff), Keep Sedona Beautiful (Sedona), Malpai Borderlands Group (Douglas), McDowell-Sonoran Land Trust (Scottsdale), Oracle Land Trust (Oracle), Prescott Creeks Preservation Association (Prescott), Rincon Institute (Tucson), Southeast Arizona Land Trust (Tucson), Superstition Area Land Trust (Apache Junction).

California

State Program: The California Farmland Conservancy Program was established in 1996. It is administered through the Department of Conservation's Division of Land Resource Protection and funded with annual appropriations. The program provides grants to local governments, resource conservation districts, nonprofit organizations, and regional open space districts for projects that use conservation easements to protect agricultural land. Voters approved Proposition 12 in March 2000, providing another $25 million for grants over the next few years. With the passage of Proposition 40 in March 2002, an additional $75 million is available for farmland conservation. California is also enrolled in the U.S.D.A. Forest Service's Forest Legacy Program.

Local Programs: The Marin County Open Space District was formed in 1972 by a vote of the people. The District has protected 14,500 acres in fee and 1,600 acres by conservation easement. The District has also contributed approximately $1 million to the Marin Agricultural Land Trust (MALT) for the purchase of agricultural easements on farmland. MALT has protected more than 30,000 acres on 46 family farms and ranches.

The Sonoma County Agricultural Preservation and Open Space District was established in 1991 and protects 55,449 acres including 31,000 agricultural acres. Funding results from a 0.25 percent sales tax approved by voters in 1990. The city of Davis passed a 30-year open space protection tax for acquisition, improvements, and maintenance of open space on November 7, 2000. The estimated $17.5 million can be used for PDR. Marin, San Joaquin, and Solano Counties have also used special taxation districts, in which landowners and homebuyers pay extra tax to fund farmland preservation. The tax pays off revenue bonds that have been sold to raise money for PDR.

Private Land Trusts: There are over 160 local land trusts in California—too many to list here. They are listed with contact information (as are local land trusts in the other states) on the Land Trust Alliance's web site (see Appendix B).

Colorado

Note: Several programs in Colorado are described on pages 14, 15, and 16 of this publication, including the state trust fund—Great Outdoors Colorado—that provides matching funds for PDR. Colorado is also enrolled in the U.S.D.A. Forest Service's Forest Legacy Program. In addition, the following local PDR programs and land trusts are operating in Colorado:

Local Programs: In 1984 Boulder County established a PDR program with funds from a city sales tax. Douglas County's PDR program was established in 1994 and is funded by county bonds and sales and use taxes. On November 6, 2001, Douglas County voters approved another $43 million in bonds for the PDR program. The town of Breckenridge receives 0.5 percent of the sales tax to fund its open space program, which includes use of PDR. Three ballot measures passed on November 7, 2000 that will support local PDR programs. Boulder County passed $1 million sales and use tax renewal and a bond issue of $80.8 million, for a total of $119.2 million over 8 years. Longmont also passed two similar measures totaling $60 million over 20 years. And Thornton passed a bond issue for $22.4 million, a portion of which can be used for PDR. Finally, numerous other municipal open space protection programs throughout Colorado are publicly funded from property and sales taxes, and are using PDR as a conservation tool in addition to outright purchase.

Private Land Trusts: Animas Conservancy (Durango), Aspen Valley Land Trust (Aspen), Centennial Land Trust (Orchard), Clear Creek Land Conservancy (Golden), Colorado Cattlemen's Agricultural Land Trust (Arvada), Colorado Open Lands (Denver), Colorado Wildlife Heritage Foundation (Denver), Continental Divide Land Trust (Frisco), Crested Butte Land Trust (Crested Butte), Douglas County Land Conservancy (Castle Rock), Eagle Valley Land Trust (Eagle), Estes Valley Land Trust (Estes Park), Grand County Land Conservancy (Granby), Gunnison Ranchland Conservation Legacy (Gunnison), Lake Fork Land Trust (Lake City), La Plata Open Space Conservancy (Durango), Larimer Land Trust (Fort Collins), Manitou Institute/Crestone Baca Land Institute (Crestone), Mesa County Land Conservancy (Palisade), Montezuma Land Conservancy (Cortez), Mountain Area Land Trust (Evergreen),

The Palmer Foundation (Colorado Springs), Rio Grande Headwaters Land Trust (Monte Vista), Roaring Fork Conservancy (Basalt), Rocky Mountain Land Trust (Longmont), San Isabel Foundation (Westcliffe), San Miguel Conservation Foundation (Telluride), South Metro Land Conservancy (Littleton), Southern Plains Land Trust (Pritchett), Southwest Land Alliance (Pagosa Springs), Three Rivers Land Trust (Delta), Valley Land Conservancy (Montrose), Western Colorado Agricultural Heritage Fund (Carbondale), Yampa Valley Land Trust (Steamboat Springs).

HAWAII

State Program: The state of Hawaii established its Natural Areas Partnership and Forest Stewardship Program in 1991 to provide state funding for the long-term protection and management of unique natural resources on private lands. The program provides matching funds on a 2:1 ratio for management of natural resources on private lands permanently dedicated to conservation. To qualify, lands must be dedicated to conservation in perpetuity through a transfer of fee title or a conservation easement to the state or a cooperating entity. The program provides $1.5 million per year to fund ongoing and new projects, and also dedicates funding derived from a portion of the conveyance tax. Hawaii is also enrolled in the U.S.D.A. Forest Service's Forest Legacy Program.

Private Land Trusts: Community Trust for Kaneohe Bay (Kaneohe), Hui'aina o Hana (Hana), Kaua'i Public Land Trust (Lihue), Maui Land Conservancy (Makawao), Maui Open Space Trust (Kula), North Shore Community Trust (Haleiwa), Pacific Islands Land Institute (Kailua).

IDAHO

State Program: The Idaho State Legislature passed critical enabling legislation in 1999 to authorize counties to issue bonds to purchase conservation easements and/or land to preserve open space for scenic and recreational purposes.

Local Program: Voters in the city of Boise passed a $10 million property tax measure on November 6, 2001 to preserve land in the Boise foothills as open space and natural areas.

Private Land Trusts: Idaho Foundation for Parks and Lands (Boise), Land Trust of Treasure Valley (Boise), Palouse Land Trust (Moscow), Payette Land Trust (McCall), Sawtooth Society, Inc. (Boise), Southern Idaho Land Trust (Twin Falls), Teton Regional Land Trust (Driggs), Wood River Land Trust (Ketchum).

KANSAS

Private Land Trusts: Kansas Land Trust (Lawrence), Sunflower Land Trust (Augusta).

MONTANA

State Programs: In spring 1998, the Montana Consensus Council convened multi-stakeholder discussions involving representatives from industry groups, conservation groups, various state agencies, and the legislature. Their efforts led to the development of a state PDR program — the Montana Agricultural Heritage Program—that was created by the 1999 legislature to help stem the loss of critical farm, ranch, and forest land to inappropriate development. The program received an initial allocation of $1 million from the general fund. A citizen commission oversees funding for the acquisition of conservation easements from willing sellers and donors. In its first year of operation, the commission approved eight landowner grant applications totaling $888,000. This figure is to be matched by $6.36 million additional dollars from various federal, local, and private sources, including the participating landowners. The corresponding easements preserve 9,923 acres. The Montana Department of Fish, Wildlife, and Parks' Habitat Montana Program was established in 1987 and is funded with hunting license fees totaling $2.8 million per year. The program can purchase conservation easements in exchange for hunting access and adoption of rest-rotation grazing management systems. It has protected 249,964 acres. Montana is also enrolled in the U.S.D.A. Forest Service's Forest Legacy Program.

Local Programs: A state statute passed in 1997 allows the formation of local open space boards that foster the preservation of open space. Helena and Missoula each passed $5 million open space bonds backed by property taxes that are used to purchase conservation easements as well as acquire lands fee simple. The Gallatin County Open Lands Board was established in 1998 following the recommendation of a county commissioner-appointed task force. Its mission is to preserve open space through the preservation of ranch and agricultural lands. The Board conducted surveys and other research to investigate public support for finance measures that would protect open space, and then petitioned the County Commission to place a $10 million bond measure on the ballot of the November 2000 election. The measure passed and will be backed by property taxes. Since agricultural producers in Gallatin County will bear additional tax burdens, the board agreed to raise 10 percent in additional matching funds from non-county sources to create a grant program to which agricultural producers can apply for tax relief.

Private Land Trusts: Bitter Root Land Trust (Hamilton), Five Valleys Land Trust (Missoula), Flathead Land Trust (Kalispell), Gallatin Valley Land Trust (Bozeman), Mid-Yellowstone Land Trust (Park City), Montana Land Reliance (Helena), Prickly Pear Land Trust (Helena), Save Open Space, Inc. (Missoula).

NEBRASKA

State Program: Nebraska's Environmental Trust Fund, established in 1992, receives 49.5 percent of the Nebraska lottery profits to purchase easements. The fund awarded grants totaling $54 million over eight years to private and government agencies, individuals, and nonprofit organizations. The grant-application rating scale favors the use of matching funds. More than 10,000 acres have been protected through the program, through both title and easement purchase.

Private Land Trusts: Platt River Whooping Crane Maintenance Trust (Wood River), Prairie/Plains Resource Institute (Aurora).

NEVADA

State Program: The Nevada Parks and Wildlife Board issued a $47.2 million bond in 1990 to purchase land and conservation easements.

Local Programs: The Tahoe Bond Act Program was established in 1986, and has raised $27.8 million for land acquisition and conservation easements. The Tahoe Mitigation Program, established in 1997, purchases conservation easements using mitigation fees collected by the California and Nevada Tahoe Regional Planning Agency.

Private Land Trusts: Nevada Land Conservancy (Reno), Nevada Trust for Public Lands (Carson City).

NEW MEXICO

State Program: The New Mexico Forest Legacy Program, established in March 2002, acquires conservation easements on private forest land, watershed land, and wildlife habitat. Up to 75 percent of the easement purchase price is provided through a federal grant from the U.S.D.A. Forest Service's Forest Legacy Program.

Local Programs: In April 2002, Santa Fe County passed a sales tax measure that will create $20 million for open space. Santa Fe County passed a bond measure on November 7, 2000, to acquire real estate and easements for open space, totaling $8 million. Also on November 7, 2000, Bernalillo County passed a two-year sales tax to raise $7 million for open space preservation.

Private Land Trusts: Canyon Preservation Trust (Santa Fe), The Forest Trust, Inc. (Santa Fe), Malpai Borderlands Group (Douglas, AZ), Partners Land Trust (Sena), Rio Grande Agricultural Land Trust (Lemitar), Santa Fe Conservation Trust (Santa Fe), Socorro Agricultural Land Trust (Soccoro), Southern Rockies Agricultural Land Trust (Capitan), Taos Land Trust (Taos).

North Dakota

Private Land Trust: North Dakota Wetlands Trust (Bismarck).

Oregon

State Program: In September 2001, the U.S.D.A. Forest Service accepted Oregon into the Forest Legacy Program. The program will purchase the development rights to privately owned forest lands.

Local Program: In April 2002, Deschutes County established a Transferable Development Credit Program.

Private Land Trusts: Central Coast Land Conservancy (Depoe Bay), The Coalition of Oregon Land Trusts (COLT—Lincoln City), Deschutes Basin Land Trust (Bend), Gorge Trust (Hood River), Greenbelt Land Trust (Corvallis), McKenzie River Trust (Eugene), North Coast Land Conservancy (Astoria), Northwest Land Conservation Trust (Salem), Oregon Sustainable Agriculture Land Trust (Canby), Seven Generations Land Trust (Dexter), South Coast Land Conservancy (Coos Bay), Southern Oregon Land Conservancy (Ashland), Symbiota Land Conservancy/Trust (Wolf Creek), Three Rivers Land Conservancy (Lake Oswego), The Wetlands Conservancy (Tualatin).

South Dakota

Private Land Trust: Spearfish Canyon Land Trust (Spearfish Canyon).

Texas

State Program: Pending: On February 24, 2000 then-Governor George W. Bush created a 12-member task force to study the issues of conservation, land fragmentation, public parks, outdoor recreation, and nature tourism, and to make recommendations for how best to protect and increase outdoor recreation for Texans. The task force established a PDR working group to define the next steps to establish a statewide PDR program.

Local Programs: The city of Austin initiated a $65 million bond to protect the water quality of the Edwards aquifer. A portion was used for PDR to protect 1,600 acres.

Private Land Trusts: The Archaeological Conservancy (San Marcos), Bexar Land Trust (San Antonio), Big Thicket Natural Heritage Trust (Jasper), Buffalo Bayou Partnership (Houston), Cibolo Conservancy (Boerne), Coastal Bend Land Trust (Corpus Christi), Connemara Conservancy (Dallas), The Conservation Fund (Austin), The Cradle of Texas Conservancy (Lake Jackson), Galveston Bay Foundation (Webster), Hill Country Conservancy (Austin), Hill Country Land Trust (Fredericksburg), Hudspeth Directive for Conservation (Dell City), Katy Prairie Conservancy (Houston), Legacy Land Trust (Houston), National Trust for Historic Preservation (Fort Worth), Native Prairies Association of Texas (Austin), Natural Area Preservation Association, Inc. (Dallas), Parks and Wildlife Foundation of Texas (San Antonio), Texas Cave Conservancy (New Braunfels), Texas Cave Management Association (Austin), Texas Land Trust Council (Austin), Texas Parks and Recreation Foundation (Richardson), The Valley Land Fund (McAllen).

Utah

State Programs: As part of the U.S.D.A. Forest Service's Forest Legacy Program, Utah protects environmentally-important forest lands that are threatened with conversion to residential subdivisions, commercial development and mining. The Program funds PDR transactions that allow private forest landowners to maintain their lands as working forests. In May 1996, Governor Mike Leavitt issued an Executive Order creating the Utah Critical Lands Conservation Committee to encourage local governments to identify lands critical to agriculture, wildlife habitat, watershed management, and recreation. The LeRay McAllister Critical Land Conservation Fund, established in 1998, received an appropriation of $100,000 for a revolving loan fund available to local governments and nonprofit organizations interested in preserving open lands. The Quality Growth Act of 1999 created the thirteen-member Quality Growth Commission that replaced the Critical Land Conservation Committee, and

assumed the responsibility of managing the LeRay McAllister Critical Land Conservation Fund. Additionally, the Act bolstered the fund from its original $100,000 to nearly $3 million to be used for the preservation of Utah's natural open lands.

Local Programs: Park City voters overwhelmingly approved a $10 million bond for open space in November 1998. The city formed a Citizen's Open Space Advisory Committee to prioritize lands, and has spent $4 million to purchase five properties. The city hopes to use easements in the future as a way of leveraging conservation dollars.

Private Land Trusts: Cache Open Lands (Smithfield), Ogden Valley Land Trust (Huntsville), Salt Lake City Open Space Trust (Salt Lake City), Southern Branch of Utah Open Lands, Inc. (Boulder), Swaner Memorial Park Foundation (Salt Lake City), Utah Open Lands Conservation Association (Salt Lake City), Virgin River Land Preservation Association (St. George), Wasatch Land Conservancy (Salt Lake City).

Washington

State Program: The Department of Natural Resources has acquired funds though the USDA Forest Service's Forest Legacy Program for purchasing development rights to protect key wildlife corridors, water quality, and recreation in high population growth areas.

Local Programs: King County established its Farmland Preservation Program in 1979 with $50 million in bonds. By 1987, the program had purchased development rights on 12,846 acres and now continues to monitor them. San Juan County's Land Bank program was established in 1990 and renewed in 1999 for 12 more years. The program has protected 2,447 acres, of which easements were purchased on 1,672 acres. The program is funded by a one percent real estate transfer tax. Skagit County's Farmland Legacy Program was created in 1996 and began accepting applications in 1998. The program has 2,310 acres under easement, the majority of which is farmland. Thurston and Island Counties purchase easements through the Conservation Future Tax Program.

Private Land Trusts: Bainbridge Island Land Trust (Bainbridge Island), Blue Mountain Land Trust (Walla Walla), Capitol Land Trust (Olympia), Cascade Land Conservancy (Seattle), Chehalis River Basin Land Trust (McCleary), Chelan-Douglas Land Trust (Wenatchee), Cold Spring Conservancy/Little White Salmon Biodiversity Reserve (Underwood), Columbia Land Trust (Vancouver), Cowiche Canyon Conservancy (Yakima), Great Peninsula Conservancy (Bremerton), Heritage Land Trust (Covington), Inland Northwest Land Trust (Spokane), Jefferson Land Trust (Port Townsend), Kitsap Land Trust (Bremerton), Lummi Island Heritage Trust (Lummi Island), Methow Conservancy (Winthrop), Nisqually River Basin Land Trust (Yelm), North Olympic Land Trust (Port Angeles), Northwest Institute for Historic Preservation (Seattle), Opal Community Land Trust (Eastsound), Puget Sound Farm Trust (Seattle), San Juan Preservation Trust (Lopez Island), Skagit Land Trust (Mt. Vernon), Scagitonians to Preserve Farmland (Mount Vernon), Tapteal Greenway (Richland), Vashon-Maury Island Land Trust (Vashon), Whatcom Land Trust (Bellingham), Whidbey-Camano Land Trust (Clinton), Yakima Greenway Foundation (Yakima).

Wyoming

State Program: The Lands Administration Branch of the Wyoming Fish and Game Commission administers the Game and Fish Easement Program to assure adequate habitat exists in areas crucial to wildlife. The program uses hunting and fishing license fees, totaling $1 million in FY1999, to purchase conservation easements. In addition, a useful resource from Governor Geringer—Ways to Conserve Wyoming's Wonderful Open Lands: A Guidebook—is available at: www.state.wy.us/governor/openspace/openspaces.htm

Local Programs: Teton County voters passed a specific-purpose excise tax increase on November 6, 2001. The measure will raise approximately $4 million for land acquisition.

Private Land Trusts: Green River Valley Land Trust (Pinedale), Jackson Hole Land Trust (Jackson), Platte River Parkway Trust (Casper), Wyoming Open Lands (Buffalo), Wyoming Stock Growers Agricultural Land Trust (Cheyenne).

Appendix B
Land Conservation Organizations

National and Regional Nonprofit Land Conservation Organizations

Note: The following list of national and regional land conservation organizations is not comprehensive, but will serve as a starting point for those interested in further information. While each has its own specific mission and focus, all offer technical and/or funding assistance in the development of PDR transactions and programs. They are also excellent sources of research information on a variety of related topics.

American Farmland Trust, 1200 18th St., NW, Suite 800, Washington, DC 20036
(202) 331-7300 www.farmland.org

Conservation Fund, 1800 N. Kent Street, Suite 1120, Arlington, VA 22209-2156
(703) 525-6300 www.conservationfund.org

The Forest Trust, P.O. Box 519, Santa Fe, NM 87504
(505) 983-8992 www.theforesttrust.org

Land Trust Alliance, 1331 H St. NW, Suite 400, Washington, DC 20005-4734
(202) 638-4725 www.lta.org

The Nature Conservancy, 4245 North Fairfax Drive, Suite 100, Arlington, VA 22203-1606
(800) 628-6860 nature.org

The Rocky Mountain Elk Foundation, 2291 W Broadway, P.O. Box 8249, Missoula, MT 59807
(406) 523-4500 www.rmef.org

Sonoran Institute, 7650 East Broadway Blvd., Tucson, AZ 85710
(520) 290-0828 www.sonoran.org

The Trust for Public Land, 116 New Montgomery St., 4th Floor, San Francisco, CA 94105
(415) 495-4014 www.tpl.org

The Wilderness Land Trust, PO Box 217, White Salmon, WA 98672
(509) 493-1073 www.wildernesslandtrust.org

The Wilderness Society, 1615 M St., NW, Washington, DC 20036
(800) 843-9453 www.wilderness.org

Agricultural Land Trusts Formed by Producers in Western States

California Rangeland Trust, 633 42nd St., Sacramento, CA 95819
Contact: Nita Vail, Executive Director
(916) 454-5767 www.rangelandtrust.org

Colorado Cattlemen's Agricultural Land Trust, 8833 Ralston Road, Arvada, CO 80002
Contact: Lynne Sherrod, Executive Director
(303) 431-6422 cca.beef.org/pages/ccalt-home.htm

Wyoming Stock Growers Agricultural Land Trust, P.O. Box 206, Cheyenne, WY 82003
Contact: Glenn Pauley, Executive Director
(307) 772-8751 wsgaltglenn@qwest.net

The Western Governors' Association (WGA) is an independent, nonprofit organization representing the governors of 18 states, American Samoa, Guam, and the Northern Mariana Islands. Through their Association, the Western governors identify and address key policy and governance issues in natural resources, the environment, human services, economic development, international relations, and public management.

With leadership from Governors Geringer of Wyoming and Kitzhaber of Oregon, the WGA's Open Lands and Stewardship Initiative focuses on voluntary, inclusive, community-based approaches to environmental and natural resource conservation. It assists states in the protection and maintenance of economic and biological diversity, recreational opportunities, scenic values, and the agricultural industry by protecting working landscapes and by improving the quality of Western life. The High Plains Partnership for Species at Risk (HPP) and development of a regional open lands program and policy agenda are two important projects of the Initiative. It emphasizes the use of market- and incentive-based, voluntary conservation tools for use on private working ranches, farms, and timber lands. PDR is one such tool.

WESTERN GOVERNORS' ASSOCIATION

1515 Cleveland Place, Suite 200
Denver, CO 80202
tel. 303.623.9378
fax. 303.534.7309
www.westgov.org

The Trust for Public Land (TPL) is a nonprofit land conservation organization that works to protect land for human well-being and enjoyment, and to improve the quality of life in American communities. Founded in 1972, TPL's legal and real estate specialists work with landowners, community groups, and government agencies to conserve land for watershed protection, scenic beauty and open space, recreation, and a host of other public values.

TPL established its National Conservation Finance Program in 1994 specifically to help states and localities develop legislation and implement their own funding sources. By working with community leaders, public officials, and willing landowners, the program helps communities to realize their open space goals by developing individually tailored PDR programs and other conservation tools. All told, more than three dozen states and communities in the West have successfully created new sources of funding with assistance from TPL.

THE TRUST FOR PUBLIC LAND

Conserving Land for People

116 New Montgomery St.
San Francisco, CA 94105
tel. 415.495.4014
fax. 415.495.4103
Addresses for regional offices across the United States can be found on the TPL Web site:
www.tpl.org

The National Cattlemen's Beef Association (NCBA), established in 1898, is the trade association for America's one million cattle farmers and ranchers. NCBA works to advance the economic, political, and social interests of the U.S. cattle business and to be an advocate for the cattle industry's policy positions and economic interests.

As family farmers and ranchers, cattlemen have a vested interest in protecting the environment. As responsive producers, they share an interest in meeting the needs of consumers worldwide by providing high-quality, nutritious beef, while setting higher quality and safety standards than those required by the government. As individual entrepreneurs, cattlemen help sustain a way of life in thousands of rural communities. NCBA works to encourage the humane treatment of farm animals, the wise stewardship of natural resources, and the implementation of good husbandry practices.

The Property Rights & Environmental Management Committee of the NCBA was formed to protect the property rights and property values of members and to enhance members' profitability. In addition, this committee works to recognize members' efforts to protect and enhance the environment. The committee has developed the Environmental Stewardship Award Program, which recognizes such efforts and stimulates educational opportunities for cattle producers and the public. The committee also forms partnerships to identify and initiate projects which reflect the technologies and ideas used by environmental stewardship winners.

BEEF USA National Cattlemen's Beef Association

1301 Pennsylvania Ave NW
Suite 300
Washington, D.C. 20004
tel. 202.347.0228
fax 202.638.0607
Addresses for offices in Chicago and Denver can be found on the NCBA Web site:
www.beef.org

Conservation easements, and the purchase of development rights, are becoming a standard tool across the West to meeting the challenges of ranchers' desire to maintain their land both as ranchland and as open space for future generations. PDRs help ranchers stay in business and stay on the land. *Purchase of Development Rights: Conserving Lands, Preserving Western Livelihoods* is a very useful publication that provides practical, on-the-ground information about how landowners and their communities can use PDR to protect their working lands and their way of life.

Mark Eisele
Rancher, Laramie County, Wyoming
President, Wyoming Stock Growers Agricultural Land Trust