

# Keweenaw Land Trust

# NEWS

*a community partner dedicated to preserving the quality of life in the Keweenaw through land conservation*

Volume 4 Number 2

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## MARK YOUR CALENDAR

- ✓ KLT Board of Directors meets every third Monday of each month, 7 P.M., MTU School of Business
- ✓ December 31: Deadline for making 2001 charitable contributions
- ✓ January 1, 2002: Annual ski and snowshoe outing at Terry Kinzel & Sue Ellen Kingsley property.
- ✓ April 2002: Midwest Land Trust Alliance meeting in Ann Arbor

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## Preserving Family Lands

By Stephen J. Small, Attorney at Law

[Note: The following excerpt is "Chapter 9: Three Problems and a Solution" and is taken from *Preserving Family Lands: Book I, Essential Tax Strategies for the Landowner*, Second Edition, 1992. It is reprinted here with permission from the author, Stephen J. Small.]

If you care about open space in this country today, if you care about wildlife habitat, productive farmland, ranchland, and forestland, or if you want to preserve a way of life, you need to know that this country is facing three major problems when it comes to the protection of important privately-owned land.

The first problem is the federal estate tax, and by now readers should understand that. I've said it before and I'll repeat it here: for the first time in the history of the United States, the family that just wants to

leave its land to the children may not be able to do that any more. The land may have become so valuable it may have to be sold to pay the estate tax. John and Mary and

Riverview and Bob and Sue and Diamond Farm are good examples of what I mean.

[Editor's Note: the federal estate tax laws have changed since this article was written in 1992.]

Here is the second problem. A number of years ago I attended a national conference in Montana, and a speaker from Montana had this to say.

*(Continued on page 3)*



*Keweenaw Lakeshore*

*Photo by D. Richter*

## News Flash! KLT Awarded \$5000 Grant

The Land Trust Alliance has just granted KLT \$5000 through its Great Lakes Land Trust Matching Grants Program, funded by the Charles Steward Mott Foundation and administered by the Land Trust Alliance Midwest Program. This grant will be used to support the development of a KLT strategic land protection program and prepare for KLT staff capacity building. KLT is one of nine Midwest land trusts which received grants this year totaling \$37, 462 as of Oct. 30, 2001. The Great Lakes Land Trust Matching Grants Program provides grants of up to \$5000 to help increase the organizational capacity of land trusts in the Great Lakes Watershed and to encourage new and innovative methods for protecting the watershed's threatened natural resources.

## KLT Annual Ski and Snowshoe Outing Set for January 1st

KLT's Annual Ski and Snowshoe Outing is set for 1:00 p.m. on January 1, 2002. Our hosts this year will be Terry Kinzel and Sue Ellen Kingsley. The event will take place at property they own and which will be placed under a conservation easement in 2002.

Directions: Drive to the yellow blinking light at the top of Quincy Hill (by the Quincy Mine Hoist). Proceed toward Calumet 6/10ths mile to Lake Annie Road. Turn left at the intersection and drive 1.2 miles along Lake Annie Road. The starting point will be the driveway into a gated private road on the left side of the road.

We hope to see you there.

## President's Corner

Someone must have heard I was taking a sabbatical from Michigan Tech this year, because KLT has become extraordinarily busy. We are completing baseline documentation and legal work on two conservation easements being donated by four KLT members on properties totaling 540 acres. We are also working on a plan for a 40-acre parcel that a conservation-minded landowner on the Houghton Canal will donate soon. (Please note: Until we complete our transactions, we don't release names and places of donations-look for a report in the next newsletter).

As if that weren't enough, we have been approached by a conservation-minded property owner in Keweenaw County about purchasing a stunning piece of shoreline property that has exciting opportunities for public access. It would be a big step for us to embark on a major fundraiser when the national economy is unsteady and the local economy is already struggling with two major land deals (see News & Views). I would like to know what members think about moving ahead with a major purchase, and whether you would be willing to help with a fundraising campaign-call or email me!

To continue-and even accelerate!-this pace of activity, KLT must grow as an organization. Developing our strategic plan was a first step, but we need to take more. We have talked for several years about setting strategic land protection priorities and raising funds for paid staff. Glenn Chown's timely and energizing visit (see article on this page) inspired us to dive into grant-writing to accomplish these purposes. In September, we applied to the Land Trust Alliance under their Great Lakes Land Trust Matching Grants Program for a \$5000 grant to set strategic land protection priorities and write a capacity-building grant to hire paid staff. We were just informed that the KLT will be awarded this grant. The match for this grant will be the significant amount of time board and volunteer members will spend on a series of planning activities-so don't be surprised if we ask you to participate!

Outreach remains a major activity. Last year we worked with Common Ground to advocate land use planning (see News & Views for some outcomes). This year we are pursuing another major grant, in collaboration with several community partners, to work with local artists on activities that will engage our community in examining the cultural and natural features of our landscape. These activities build strong incentives for landscape protection.

Finally, we have taken two steps to strengthen our organization's current capability. To keep up with the pace of activity, the Board is now meeting monthly at a regular time and place (3rd Monday, 7PM, MTU Academic Office Building Conference Room): Please join us! To unify our efforts, we are actively seeking office space, and have received timely donations of a desktop computer from the MTU School of Business & Economics and software from several Board members.

2002 promises to be another exciting and busy year for KLT, and we need our membership's support. As we end this tax year, please consider a donation to KLT. And don't be shy about volunteering your time and skills. We need them all!

Christa Walck



## Preserving Family Lands, by Stephen J. Small

*(Continued from page 1)*

"There are 90 million acres of land in Montana," he said, "and over the next fifteen to twenty years 30 million of those acres are going to change hands. That's because that's how much land we have that is owned by people who are an average age of 59 1/2"

That is really remarkable, I thought. And then I thought, you know, that's true not only in Montana, it's also true in Virginia . . . and New York . . . and Florida . . . and Colorado . . . and all over the United States. The principal private landowners in this country are older, 55 and older, even 65 and older. And over the next fifteen to twenty years, millions and millions of acres around the country are going to change hands, and potentially change use, as these older landowners plan for, or don't plan for, what's going to happen to their land.

The principal private landowners in this country are older. In New England, the average age of the woodlot owner is well over 60. In the Southeast, the average age of the private forestland owner is almost 70. I was told recently that one-third of the forestland owners in Oregon are over 75!! When you combine the threat of the estate tax with the demographics of this county, it becomes absolutely clear that millions and millions of acres of open space, wildlife habitat, farmland, forestland, wildlife corridors, watershed, and ranchland are at risk over the next few decades.

The third problem is what I call the "good help is hard to get" problem.

In every single community in this country, if you have a piece of land that you want to develop, an entire infrastructure exists to support you. There are attorneys, engineers, land use planners, surveyors, appraisers, and planning board or zoning commission members who know all about how to develop a piece of land. There is a whole support network of professionals and technicians who make a living doing real estate development. If you have a piece of land to develop, the question isn't "How can I find help?" If you have a piece of land to develop, the question is, "Let's see, of all of the available choices, who shall I choose to help me and to work with me?"

But consider this. In every single community in this country there are landowners who love their land and don't want to see that land developed. And most of them have absolutely nowhere to turn. In most communities around the country there are absolutely no professionals who understand how to protect a piece of land. In most communities around the country there are no attorneys, no accountants, no "planners," no zoning commission members, no appraisers, no real estate brokers, no advisors at all who understand the concept of private land protection and how to go about that.

On one hand, we have a real estate development infrastructure permanently in place and highly visible after two hundred years of real estate development in this country. On the other hand, a landowner with a farm, a ranch, working forestland, country property, and open space, has absolutely no idea where to turn for help.

This must change.

Consider this. What if instead of owning Riverview John and Mary had a successful family business? Would John and Mary and their advisors have done some sophisticated tax, financial, and legal planning to get the family business through the transfer tax system to the children??? It's likely that there would be a shareholder agreement, buy-sell provisions for the stock, life insurance, a program of annual gifts of stock, and perhaps a stock recapitalization. In short, there is a whole array of entirely appropriate tools to keep that business intact and get it to the kids.

Why haven't John and Mary and their advisors done the same sort of sophisticated, aggressive, creative planning for Riverview??? Why haven't Bob and Sue done the planning for Diamond Ranch? "Succession planning for the business owner" is an accepted tax planning and financial planning discipline. For those of us who value open space, wildlife habitat, farmland, forestland, and ranchland, and the outdoor recreational opportunities that come with open land, I think it's time we begin to focus on tax, legal, and financial planning for family lands. It's time we begin to focus on "succession planning for the landowner."

That's why I wrote *Preserving Family Lands: Book II*. That book is not an "update" of this book, or a "revision." That book is the next book in the series, the book that introduces landowners and their advisors to a number of other planning techniques that can be used to help the family realize its goal of keeping the family's land intact.

The principal tool in the private landowner's toolbox is the conservation easement, but it is not the only tool. A planning strategy may include the use of a family limited partnership, a "generation-skipping trust," and possibly annual gifts to children and grandchildren. Often, too, more sophisticated planning involves the use of other forms of tax-advantaged charitable giving, including various forms of charitable trusts and family private foundations.

*Preserving Family Lands: Book II* covers a number of these subjects, and if you are interested in doing this planning, if you understand that "preserving family lands" means more than just conservation easements, I urge you to read "Book II."

The purpose of this chapter is not to explain these tools. The purpose here is to make three points.

First, open space is threatened because of an aging population of landowners and the impact of high federal estate taxes.

Second, this is a problem that landowners can do something about.

Third, this is a problem that needs attention now. Awareness of these issues should force landowners to act, to do the planning, and to protect and preserve the open space that is so important to all of us.

Visit Stephen Small on the world wide web at [www.stevesmall.com](http://www.stevesmall.com).

# National Land Trust Census

The National Land Trust Census, tallying land protection statistics through 2000 by grassroots, nonprofit land trusts, paints a portrait of a vibrant and effective movement, created by people concerned about the loss of open space in their communities today and the land legacy they will bequeath to the future.

## Milestones

The Census report identified two historic milestones for the private land conservation movement that was established in the United States at the end of the 19th century:

- For the first time since 1891, when the first nonprofit land trust was founded in the United States, land has been permanently protected in all of the 50 states, the District of Columbia and Puerto Rico by nonprofit, grassroots land trusts.
- More importantly, the National Land Trust Census found that local and regional land trusts had protected more than 6.47 million acres of open space, an area twice the size of Connecticut. Although the Census tallies data only from local and regional land trusts, national land trusts (e.g. The Nature Conservancy) have protected millions of acres as well.

The Census portrays a growing movement that is fueled by people's desire to save the green spaces and open lands that make each community unique. The private conservation movement may well be the fastest growing segment of the conservation community.

## Specific Findings

The National Land Trust Census provides an in-depth picture of the voluntary land conservation movement. Growth has occurred in every facet during the last decade of the 20th Century:

- As of Dec. 31, 2000, 6,479,674 acres of land had been protected by local and regional land trusts, a 241 percent increase over the 1.9 million acres protected as of 1990.
- California, New York and Montana led the nation in the amount of acreage protected by local and regional land trusts.

- 1,263 local and regional land trusts were in operation in 2000, a 42 percent increase over the number (887) that existed in 1990.
- The South Central portion of the country (Arkansas, Louisiana, Oklahoma and Texas) saw the most rapid growth in the number of land trusts. In that region, Texas saw the greatest growth, with 22 land trusts conserving land in 2000 as compared to just nine in 1990. The Southwest and Southeast followed in the second and third spots.
- Of the more than 6.4 million acres permanently protected, nearly 2.6 million acres have been protected by conservation easements, almost a fivefold (476 percent) increase over the 450,000 acres protected by conservation easements as of 1990. As of Dec. 31, 2000, grassroots land trusts had secured more than 11,670 easement agreements with landowners who voluntarily chose to protect their land.
- Land trusts protect a variety of land types. Among the types most commonly identified as "primary" in the census were wetlands, river corridors, watersheds/water quality, and farmland and ranchland.

## Defining a Land Trust

For purposes of the National Land Trust Census, a land trust has been defined as "a nonprofit organization that, as all or part of its mission, actively works to conserve land by undertaking or assisting direct land transactions - primarily the purchase or acceptance of donations of land or conservation easements."

While land trusts use a variety of methods to protect land, two of the most commonly used are the purchase or acceptance of donations of land and the purchase or acceptance of donations of a conservation easement, a legal agreement that permanently restricts the development and use of land to ensure protection of its conservation values. Some land trusts acquire land and then convey it to another nonprofit organization or a government agency for permanent protection and stewardship.

*(Continued on page 5)*

# National Land Trust Census, continued

(Continued from page 4)

Land trusts protect land by other means, including:

- providing funding to other groups for land acquisition;
- negotiating with conservation buyers - conservation-minded individuals who are willing to invest in property in anticipation of its ultimate and permanent protection as open space; and
- facilitating negotiations for land to be acquired by another nonprofit organization or a public agency.

## Survey Methodology

Data were collected from March to July 2001 by surveying nearly 1,700 organizations, first by mailed questionnaires and then by follow up telephone calls where needed. Approximately 900 groups responded to the mailed survey or completed the survey document online. The remaining 800 organizations were contacted by telephone, or data were obtained from state land trust service centers or other organizations that work directly with nonprofit land trusts. All responses provided information on open space protected as of Dec. 31, 2000.

## Closing Remarks

After summarizing the Census information, Land Trust Alliance's President Jean Hocker, points out that, "The Census portrays a growing movement that is fueled by people's desire to save the open lands that make each community unique. In nearly every corner of America, people can point proudly to land that is voluntarily conserved through a land trust - land that is important for wildlife and natural resources values, for scenic and recreational values, for its value as productive farm, ranch and timberland and - most essentially - for its value to people's lives."

She further notes that, "early land trust leader Charles Elliot in the 1890's likened the public benefit of protected open space to that access to books in libraries and artworks in museums. Now more than one hundred years later, open places are more fragile than even great paintings and books. The success of land trusts shows us just how much people treasure these places

Local and regional land trusts are nonprofit organizations that people have formed, grown and supported in order to protect and give long-term stewardship to open space. They represent people's ambitions, hopes and dreams for their communities and generations yet to come."

## Michigan Addendum

- Among the top 10 states with the largest number of local and regional land trusts, Michigan ranks 8th with 38. Massachusetts, the birthplace of land trusts, continues to lead the nation with 143 nonprofit land conservation organizations. California (132) and Connecticut (112) followed in the listing.
- These 38 Michigan local or regional nonprofit land conservation organizations protected 79,456 total acres as of Dec. 31, 2000. They owned 33,654 acres. They held 20,877 acres under conservation easements. And, 24,925 acres have been transferred and conserved by other means.
- Seven of Michigan's local and regional land trusts are located in Michigan's Upper Peninsula. Three of them operate in one or more of four counties located in Michigan's western Upper Peninsula, Baraga, Houghton, Keweenaw and Ontonagon. These land conservation organizations include the Keweenaw Land Trust, Inc, Gratiot Lake Conservancy, and North Woods Conservancy.
- These 3 land conservation organizations protected a total of 1,876 acres in Michigan's western Upper Peninsula as of Dec. 31, 2000. They owned 614 acres. They held 260 acres under conservation easements. And, 1,002 acres were conserved by other means.

# National Land Trust Rally 2001

Michigan and even the Keweenaw got their names in lights at the largest-ever Land Trust Rally in Baltimore, MD, October 1-2. When Peter Forbes of the Trust for Public Land read a short list of land trusts at his opening speech, he named Keweenaw, and then went on to warn the 1600 attendees not to get so caught up in the mechanics of land preservation and deal-making that they forget that the real work is about connecting people and land. He emphasized that land conservation has the power to transform lives, and saves the relationship between people and land. Maryland Governor Paris Glendening emphasized the need for Smart Growth, revealing that the amount of farmland lost to development in Michigan equals the size of the state of Maryland! He also endorsed

using the power of states to conserve land. In Maryland (unlike Michigan), the state now steps in when local zoning decisions don't preserve land (what a concept!).

Board President Christa Walck attended the rally and participated in training sessions on grant-seeking, administering land protection programs, GIS for strategic planning, and negotiating purchase and sale agreements. One interesting fact she learned is that 75% of the \$190 billion given to nonprofits comes from individuals. This is a powerful reminder that land trust membership is the key to land trust strength. For more information about the rally and abridged text of these speeches, go to <http://lta.org/training/rally.htm>.

## Keweenaw News & Views

- The Houghton County Board of Commissioners appointed a 6-member Houghton County Planning Commission in September. Pat Coleman of UP Engineers & Architects was elected chair. The County Board requested applications, then appointed members without open public input. The membership seems one-sided, in favor of planning for development, rather than planning with land conservation issues in mind. If you are a Houghton County resident, consider attending Planning Commission meetings and contacting elected county officials to express your opinions on the need for land conservation in the planning process.
- Townships in Keweenaw County continue to work to update Keweenaw County's Land Use Plan. Most have conducted surveys to get public input. The Western Upper Peninsula Planning and Development Region (WUPPDR) received a \$69,000 grant from People and Land (<http://www.peopleandland.org/>) to assist the County with their revised plan. Keweenaw County residents can contact their township supervisors to learn more.
- The Michigan Natural Resources Trust Fund agreed to fund the purchase of 6300 acres at the Tip of the Keweenaw in two installments totaling \$12.5 million. International Paper continues to negotiate with Michigan DNR over purchase price and timing.
- Keweenaw County was ready to sign on the dotted line to purchase 100 acres at the mouth of the Gratiot, with \$588,000 in grants in hand from the Michigan Natural Resources Trust Fund and the North American Wetlands Conservation Act, when International Paper put up a roadblock by including an easement for a bridge over the Gratiot in the purchase agreement. A last-minute deal was struck to allow for purchasing an additional 500 acres and 5000 feet of shoreline and extinguishing the easement-at \$350 a frontage foot, that's \$1.7MM to raise before this deal is a reality.
- A new online paper that covers environmental news in the Keweenaw is available at [www.keweenawnow.com](http://www.keweenawnow.com). Check it out!

# Glen Chown, Executive Director Of Grand Traverse Land Trust Inspires KLT Membership And Facilitates Board Development



*Glen Chown directing KLT Board Workshop during August*

Glen Chown, Executive Director of the Grand Traverse Regional Land Conservancy, provided the KLT membership with an example of how effective and influential a community-based land trust can be. Chown has served as the Director of the GTRLC for the past 10 years. During that time, the Conservancy has acquired ownership or conservation easements that protect more than 10,000 acres of land in the Grand Traverse and surrounding area.

Chown came to the Keweenaw area this past summer to speak to KLT membership and to its Directors. On August 23rd, Chown gave a public talk at the MTU Forestry Center. He described the history of the GTRLC and the methods it uses to successfully secure land ownership and conservation easements. He also proved the power of mapping, by sharing a color map of the geographic area served by the Conservancy and the lands that are currently protected through the Conservancy's

work. According to Chown, this map has been one of the keys to the Conservancy's ability to secure enthusiastic participation in land conservation by the public and by landowners.

On August 24th, Chown conducted a Board Development Workshop for the KLT Board members. The morning-long workshop focused on preliminary steps that the Board must take to expand its visibility in the community, to market its accomplishments and projects, and—perhaps the key to future growth of KLT—to work toward establishing a full-time professional KLT staff. Chown provided invaluable guidance to the Board. His assistance has already shown tangible results. At his suggestion, KLT applied for and was recently awarded a \$5000 development grant by the Land Trust Alliance through its Great Lakes Land Trust Matching Grants Program (see front page article). Our thanks to Chown for the knowledge he shared with KLT.

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**KLT Web Page**

**www.keeweenawlandtrust.org**

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**I support the mission of the Keweenaw Land Trust. Enclosed are my membership dues:**

- \$20 Basic Member
- \$50 Protector
- \$100 Guardian
- \$250 Steward
- \$1000 Conservator

- I would like someone to contact me with further information.
- I would like to consider donating land or a conservation easement.
- Please send an acknowledgment.
- Please send information on Planned Giving.

**Dues and contributions are tax deductible. Please mail to:  
Keweenaw Land Trust, Inc., P.O. Box 750, Houghton MI 49931**