



M A N A D A
C O N S E R V A N C Y

DESCRIPTION OF A LAND TRUST

What is a land trust?

Land trusts are non-profit organizations that work hand-in-hand with landowners to protect valuable natural resources. This work is fulfilled through conservation easements, land donations, and land purchases.

Land trusts have become increasingly important as sprawl, development, and pollution continue to impact open space and sensitive natural areas.

What kind of space do land trusts protect?

Land trusts protect open space of all kinds - wetlands, wildlife habitat, farms, ranches, shorelines, forests, scenic views, watersheds, historic properties, and recreational areas - land of various sizes and types that have conservation value.

“Over the last 40 years, land trusts have conserved more than 60 million acres — an area larger than all the land contained in America's National Parks.”

Kelsey Pramik, “Voluntary Private Land Conservation 101,” Land Trust Alliance Blog, accessed October 20, 2022, <https://findalandtrust.org/land-trusts/gaining-ground/voluntary-private-land-conservation-101>

When did land trusts start?

The first land trust was founded more than 100 years ago in New England. The first American conservation easement was written in the late 1880's to protect parkways in and around Boston, and was designed by the architect Frederick Law Olmstead, Sr. Conservation easements, now the most popular means to protect land, came into widespread use after the Tax Reform Act of 1976 explicitly recognized them as tax deductible donations.

How many land trusts are there?

There are 80+ land trusts working in various parts of Pennsylvania and a total of 1,281 land trusts covering the United States.

How can landowners work with land trusts to protect their land?

Together, the land trust and landowner(s) forge a plan that will satisfy both. The goal is to protect the natural resources of the land, for wildlife, agriculture, historical, scenic or

water quality values. There are many ways to achieve this, and land trusts are specialized in helping landowners find the mechanism that will serve them best. Methods include donation of conservation easements, sale of conservation easements, donation of land, and sale of land. In general, the land trust acts as facilitator. Manada Conservancy uses its expertise and connections with agencies and other organizations to find the optimum method to preserve land.

CONSERVATION EASEMENTS

What is a Conservation Easement?

A conservation easement is a voluntary legal agreement between a landowner and a land trust that permanently limits uses of the land in order to protect its conservation values. Landowners retain many of their rights, including the right to own and use the land, sell it and pass it on to their heirs, but know that it will be protected for the future.

What is the role of the land trust?

Once a conservation easement is placed on a property, present and future owners of the property must abide by the easement as written. Manada Conservancy's duty as the land trust is to ensure the restrictions, as defined in the conservation easement, are upheld in perpetuity.

To do this, the land trust monitors the property once a year. Manada Conservancy works with landowners to make sure that activities on the land are consistent with the easement. If necessary, the land trust is responsible for taking legal action to enforce the easement.

HISTORY OF MANADA CONSERVANCY

Concern about the loss of farmland and wildlife habitat in the Manada Creek watershed prompted a group of local citizens to form Manada Conservancy in 1996. The group recognized that there was still good farmland and wildlife diversity in the region and hoped to help protect those resources as the area changed and developed. The need for environmental education and historic preservation was also recognized in this effort.

The name "Manada Conservancy" was chosen because it was central to the organization's original focus area and stresses the importance of the connection between waterways, land, habitat, agricultural resources, and the rich historical heritage of the region. The Manada Creek watershed drains from the Kittatinny Ridge, or Blue Mountain, and feeds the Swatara Creek, a major tributary of the Susquehanna River. Abundant wildlife can be found along both waterways and the streams also have a rich human history. For example, there is much evidence of Native American settlements along the creeks throughout Dauphin County and the early history of European

settlement can be seen in the numerous mills, forts and Union Canal structures evident in many locations.

The Conservancy, incorporated in 1997, was formed as a private, charitable organization that accepts donations of land and conservation easements as well as financial donations. The Conservancy holds the land and easements so that the land remains in its natural state in perpetuity. Manada Conservancy's Board of Directors is comprised of all-volunteer members drawn from throughout the region we serve. Manada Conservancy is a member of two professional organizations, [WeConservePA](#) (formerly known as the Pennsylvania Land Trust Association) and the national [Land Trust Alliance](#).

PROCESS FOR PRESERVING LAND WITH A CONSERVATION EASEMENT

1) Initial Contact

We welcome landowners who want to learn more about the options available to protect their land. Representatives from Manada Conservancy are happy to help landowners find the right conservation option for them. A first step is for us to learn what the landowner's goals are for their property and for us to explain the land protection process.

2) Site Visit

If the landowner is interested in pursuing the possibility of preserving their land, Manada Conservancy representatives will ask to tour the property. A property visit will help us to identify specific conservation values and resources on the property, and get an idea of the uses and needs of the landowner relating to the property. It will also help the Manada Conservancy Board of Directors determine if the property meets our Selection Criteria for natural resource value and public benefit.

3) Organization Review

After a field visit to the property, our staff will conduct computer mapping and compile information and photos from the visit to share with Manada Conservancy's Land Protection Committee to further discuss and make a recommendation to the Board of Directors about pursuit of the project. We will need to know ownership and mortgage details, information to help us understand the resources needed to complete the project, and whether we have the capacity to do so. If the property satisfies our internal criteria for conservation projects, the Board will authorize an appropriate representative of the Conservancy to work with the landowner and proceed with preserving their land. At this point, this decision by the Board to pursue the project is not binding for either the landowner or the Conservancy, but authorizes the Conservancy staff to begin spending time on the project.

4) Title Search

The Conservancy will conduct a preliminary title search on the property. This will determine whether there is a mortgage or other lien on the property, whether the landowner owns the mineral rights on the property and whether the landowner has legal authority to donate or sell a conservation easement. It also shows other easements, such as power or gas line easements existing on the property. The title search also helps to determine if a survey will be needed.

5) Advice to Consult Professional Advisors

The landowner is always advised to consult with legal and tax advisors and any other experts deemed necessary.

6) Appraisal

When the conservation easement is being donated, it is the landowner/donor's responsibility to obtain an appraisal. Manada Conservancy has an ethical obligation to conclude an honest transaction and advises landowners to obtain their appraisal from a well-qualified appraiser who is knowledgeable about conservation easements. An appraisal is not usually required by Manada Conservancy but is required by the IRS if the donor wishes to take a deduction for the donation. The appraisal determines the value of the property before and after the easement donation so that the amount of the donation is established. According to IRS guidelines, the appraisal must be done within 60 days before or after the easement signing to qualify.

7) Conservation Easement Donation Agreement

The CEDA document is signed by both the landowner and Manada Conservancy legally setting forth the intent to proceed. This is needed before the Conservancy can begin to spend money on formal studies of the land and devote extensive staff time to a project, assurance of the landowner's commitment to the project is needed. Likewise, this document assures the landowner that Manada Conservancy is committed to the project and will do its part to complete its obligation to protect the land as desired. This document also often sets forth how and when the stewardship donation or funding will be acquired.

8) Conservation Easement Is Drafted

A draft conservation easement is developed cooperatively by Manada Conservancy and the landowner using the natural resource information and field observations compiled and the landowner's goals for the property. The easement is a flexible document which can be tailored to specifics of the property and of the landowner's needs for the future use of the property. The document also contains language which complies with federal tax deduction requirements.

9) Formal Approval of Easement

Once the easement draft is complete to the satisfaction of the landowner, Manada Conservancy representatives, and the attorneys of both parties, the conservation easement is formally approved by the Manada Conservancy Board of Directors.

10) Baseline Document

Once the easement is agreed upon, and a date for signing is established, a Baseline Document is prepared by Manada Conservancy's Stewardship Director. This report

establishes, through writing, maps and photographs, the condition of the property at the time of the placing of the conservation easement. The Baseline Document is retained in Manada Conservancy's records and is included by reference in the conservation easement. The landowner reviews the document for accuracy. Before the easement signing, both the landowner and Manada Conservancy acknowledge with their signatures that the baseline document is truly representative of the property at the time it is inventoried. A copy is also provided to the landowner.

11) Execute and Record Agreement

The landowner and an officer of Manada Conservancy will sign the conservation easement. It is then recorded in the office of the Recorder of Deeds of the County where the property is located. At this point, the conservation easement is legally binding on both parties: the landowner to abide by the easement, and the conservancy to enforce it in perpetuity.

12) Publicity and Signage

If appropriate and only if the landowner grants permission, Manada Conservancy will distribute a press release and share the good news about the completion of the land protection project. If the easement was donated, a letter is sent to the landowner expressing Manada Conservancy's appreciation. This acknowledgement letter is also needed for a landowner seeking a tax deduction for the easement donation. Signs will be erected on the property with the donor's permission.

13) Annual Easement Inspections

As holder of the conservation easement, it is Manada Conservancy's duty to visit each of the properties it preserves annually for an inspection to ensure the conservation objectives and terms of the easement are being upheld. The annual property visit is scheduled at the landowner's convenience. Manada Conservancy's Stewardship Director will first contact the landowner regarding the date in which he plans to visit the property. The landowner is welcome to join on the walk around the property and will be asked a few questions.

COSTS AND BENEFITS OF DONATING A CONSERVATION EASEMENT

Those considering the donation of a conservation easement often have questions about the benefits and costs of doing so. This section is intended to answer some basic questions. Manada Conservancy recommends consultation with a knowledgeable professional, such as an attorney and/or accountant, for advice about the financial consequences of a specific easement donation. Manada Conservancy is happy to meet with the consultants, and to discuss and explain more about conservation easements and how they work, if this is desired by the landowner.

Benefits

Conservation easements allow people to protect the land they love. They are the number one tool available for protecting privately owned land. The primary benefit to the donors of a conservation easement is the knowledge that they have protected their property from development that would harm its conservation, agricultural, ecological or scenic value. With this also comes the legal assurance that Manada Conservancy will protect the property in perpetuity as stipulated in the easement language.

All conservation easements must provide public benefits, such as water quality, farm land preservation, scenic views, wildlife habitat, outdoor recreation, education, or historic preservation. If the conservation easement is donated to Manada Conservancy, the difference between the value of the land before the easement and the value of the land after the easement is placed can often be deducted as a charitable donation on the donor's income tax return. Manada Conservancy is a 501(C)(3) organization and is eligible to receive easement and land donations.

A conservation easement helps you plan for the future of the land and it can lower your estate taxes. Since the value of the land is generally less with an easement placed on it, heirs of the property may find that the estate tax is lower than it would have been without the easement. This has enabled some heirs to keep a farm that would otherwise have had to be sold to pay the estate taxes.

Costs

There are expenses involved in donating an easement. For some of these project expenses, Manada Conservancy is able to get reimbursement through WeConservePA's Conservation Easement Assistance Program.

Legal and Accounting

It is important to consider consulting with an attorney and an accountant. These costs would depend on the landowner's use of these professionals. We are sometimes able to help the landowner with legal costs through WeConservePA's Conservation Easement Assistance Program.

Appraisal

In order for an individual to take a tax deduction on their federal tax return, the IRS requires that an appraisal be done. The appraisal provides the owner with two values. (1) Fair market value (the value if one were to sell the property today at its highest and “best” use, usually defined as the value for development); and (2) The value of the property if it were to stay strictly as farm and/or natural lands (as would be the situation with a conservation easement). The difference between the two is the value of the conservation easement. Manada Conservancy strongly recommends the use of a qualified appraiser experienced in the evaluation of conservation easements. Appraisal costs vary depending upon the size and complexity of the property.

Stewardship Donation

Manada Conservancy must be able to demonstrate to the IRS that it has sufficient resources to monitor, enforce and defend the easements we hold. Manada Conservancy must also be able to defend, manage, and maintain its fee-owned preserves. Because of this, we request from landowners a stewardship donation. These restricted funds provide an endowment that will ensure sufficient resources to oversee the protection of the preserved properties in the future. Donation amounts depend upon the size of the property and various risk factors that may be associated with the property. Our policy for the use of these funds as well as the formula used to calculate the appropriate amount is available upon request. The stewardship donation may be a tax deductible contribution. Depending on circumstances, there may be ways in which the Conservancy can work with a landowner to accommodate their financial situation.