

# NORTHERN CONNECTICUT LAND TRUST

## AGGRESSIVE LAND PROTECTION

It is clear that much more land needs to be preserved than will be as things are going. This is especially true – and important – in Connecticut’s agricultural heartland. East Windsor, western Ellington, western Somers, eastern Enfield, and northern South Windsor contain what is by far Connecticut’s largest area of relatively undeveloped prime farmland, and the Connecticut Valley experiences development pressures well above average. The same area also contains a large proportion of Connecticut’s high-volume aquifers. Prime farmland is rarely donated to Land Trusts and is all too easy to develop.

Clearly, if things don’t change drastically this area will be laced with subdivisions and Connecticut’s agricultural base will be gone. All we will have then will be scattered farms. The State legislature resolved in 1998 to preserve in excess of 200,000 more acres of land in Connecticut. The approximately 20,000 acres of farmland in Connecticut’s agricultural heartland is less than 10% of that target. It should be preserved, yet if we don’t become more aggressive in pursuing this goal, it won’t happen.

Not only is it time to work actively toward preserving this land, the time is right to succeed. There are factors that make success, if not altogether likely, at least achievable if we get to work. And the first thing we need in order to get to work is a plan.

No one strategy is going to accomplish this goal alone. Even if the State of Connecticut were willing to fully fund the Purchase of Development Rights program, a lot of landowners wouldn’t participate. The Land Trust certainly can’t preserve it all alone, nor even with the assistance of the Open Space and Watershed Land Acquisition Grant Program. Zoning can only go so far, because development values for land are so far above farm and forest values that an effective zoning job would be considered a taking.

But a combination of efforts could do the job, if the need is recognized and a plan developed and carried out. Lobbying the state and changing zoning are outside of the scope of this initial proposal; it will suffice to say that those need to be done as well. What the Northern Connecticut Land Trust can do will be addressed here.

What the Land Trust can do is multifaceted, and includes:

- develop and implement an effective public relations campaign to get society to realize the importance of what we’re doing
- develop and implement a saturation membership drive
- make sure all landowners know about us and what we’re doing
- develop and implement a conservation easement program
- develop and implement a corporate philanthropy program
- advocate state funding of preservation programs, new legislation to aid preservation, and town zoning changes
- seek out and utilize all possible funding sources

Several of these actions will be addressed on subsequent pages.

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## AGGRESSIVE LAND PROTECTION

It is clear that much more land needs to be preserved than will be preserved. This is especially true – and important – in Connecticut's agricultural heartland. East Windsor, western Ellington, western Glastonbury, eastern Ellfield, and northern South Windsor contain what is by far Connecticut's largest area of relatively undeveloped prime farmland, and the Connecticut Valley experiences development pressures well above average. The same area also contains a large proportion of Connecticut's high-value aquifers. Prime farmland is rarely donated to Land Trusts and is all too easy to develop.

Clearly, if things don't change drastically this area will be lost with extraordinary speed and Connecticut's agricultural base will be gone. All we will have then will be scattered farms. The State legislature passed in 1998 a law to reserve in excess of 500,000 more acres of land in Connecticut. The approximately 20,000 acres of farmland in Connecticut's agricultural heartland is less than 10% of that target. It should be preserved, yet if we don't become more aggressive in pursuing the goal, it won't happen.

Not only is it time to work actively toward preserving this land, the time is right to succeed. There are factors that make success, if not altogether likely, at least achievable if we get to work. And the first thing we need in order to get to work is a plan.

Our strategy is going to accomplish this goal alone. Even if the State of Connecticut were willing to fully fund the Purchase of Development Rights program, a lot of individuals wouldn't participate. The Land Trust certainly can't provide it all alone, however, with the assistance of the Open Space and Stewardship Fund Acquisition Grant Program. Learning can only go so far. We need development values for land are so far above farm and forest values that an effective zoning job would be considered a taking.

But a combination of efforts could do the job. If the need is recognized and a plan developed and carried out, I believe the state and changing zoning are outside of the scope of this initial proposal. It will suffice to say that there needs to be done as well. What the Northern Connecticut Land Trust can do will be covered here.

What the Land Trust can do is multifaceted, and includes:  
- development and implementation of effective public relations campaign to get society to realize the importance of what we're doing  
- development and implementation a national membership drive  
- educate state and lawmakers know about us and what we're doing  
- develop and implement a conservation easement program  
- develop and implement a corporate philanthropy program  
- advocate state funding of preservation programs, new legislation to aid preservation, and to bring changes  
- seek out and utilize all possible funding sources

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# NORTHERN CONNECTICUT LAND TRUST

## SATURATION MEMBERSHIP DRIVE

The centerpiece of any serious effort to increase the Land Trust's effectiveness would have to be a massive membership drive. Both the income and the volunteers are needed to make the rest work. The NLCT should produce a mass mailing to all postal customers within the entire area that it serves. The number of pieces mailed would be approximately 62,100.

Postal costs would be as follows:	One-time bulk permit fee	\$100.00
	Annual bulk permit fee	\$100.00
	Postage @ \$0.08 per piece	\$4968.00
	Total	\$5168.00

Printing costs are not yet (10/07/00) fully researched; depending on a number of variables, the price could be anywhere from an unknown low if donations of paper and/or printing can be secured to a high of \$0.30 per piece for a deluxe mailer with no donations. Lowest anticipated cost: 62,100 x \$0.12 = \$7452 Highest cost: 62,100 x \$0.30 = \$18,630

Total cost range = \$12,620 - \$23,798. The money would not have to be spent all at once; the mailings could be broken down into individual towns or groups of towns, with income generated by each mailing paying for the next. The largest mailing would be Enfield, with about 18,000 pieces and a cost of \$3800 - \$7040.

Predicting results is more difficult than projecting costs. The experience of businesses doing mass mailings is that they achieve a response on the order of 3%, but that's just an average and it doesn't necessarily apply to a charitable appeal. Our results could easily come in anywhere from 1% to 5%, or 621 to 3105 new memberships – or possibly even outside of that range.

The income from the dues of the new members ought to be more predictable, since we have experience with the membership categories our current members have chosen. Of our total paid membership (excluding gifted life memberships), 53% are individual memberships, and there are 32% family, 14% life and 1% business memberships. Since we just instituted our Sponsor and Benefactor categories, we have no experience with the percentages we can expect in them.

Projecting these figures onto the membership drive, we can expect a first year income of about \$35,000 per percentage point of response, or \$35,000 with a 1% response, \$105,000 with a 3% response, and \$175,000 with a 5% response. Sponsor and Benefactor contributions could increase the results on the order of \$5000 per percentage point of response. Clearly, even poor response to the mailing still results in it more than paying for itself. Excellent results would give the Land Trust a large windfall. Annual income thereafter would be lower, since the Life Members would only pay in the first year. It can also be expected that many of the Sponsors and Benefactors would not give that amount annually. Even so, annual membership dues would increase by about \$13,000 per percentage point.

Two points ought to be made here. First, a mass mailing goes to everybody, and there are a few dozen very wealthy people within our area. If this worked to get just one of them interested in our mission, it could make a huge difference to how much we can accomplish. Second, a saturation mailing would go a long way toward making sure landowners have heard of us. It is likely that a mass mailing would result in at least one donation of land.



# NORTHERN CONNECTICUT LAND TRUST

## CORPORATE PHILANTHROPY PROGRAM

### Given:

- the existence of a credit on state business taxes for 50% of open space donations;
- the existence of deductions on federal business taxes, which range up to 39%;
- the presence of many highly profitable businesses in our area;

It ought to be possible to persuade the corporate philanthropy decision makers of several businesses to purchase land we deem worth preserving and donate it to us.

### An example:

A 120-acre piece of farmland in southeastern Enfield is for sale for \$895,000. Lego offers \$800,000 and buys it for \$840,000, then immediately donates it to the NCLT. They get a \$420,000 tax credit on their state business taxes. They also get an \$840,000 deduction on their federal business taxes, which at a marginal rate of 39% is worth \$327,600 to them. Their net cost to preserve 120 acres is \$92,400 but it sounds like they gave \$840,000. The leverage they can achieve in their charity ought to appeal to them.

### The Corporations:

Lego  
Hallmark Cards  
Westvaco  
Toro  
Southern Auto Sales  
Gerber Scientific  
National Amusements  
national retail chains  
Agway / Hood  
John Deere / Stanton Equip.  
Crop Production Services  
Northeast Utilities  
DB Mart  
Rice Paper/Action Packaging  
Accutime  
Big Y  
Cuno  
Tyco  
Warrens of Stafford  
Somers Sanitation  
Worthington's brother  
many

### The Towns:

Enfield  
Enfield  
Enfield  
Enfield  
East Windsor  
Vernon  
East Windsor  
Enfield, Vernon, others  
Ellington, Enfield  
East Windsor  
East Windsor  
all  
Somers, etc.  
Ellington  
Ellington  
Stafford, Enfield  
Stafford  
Stafford  
Stafford  
Somers, East Windsor  
Somers  
Windsor Locks, Manchester

There are many more than have made this list. It would clearly be most effective to target those companies known to favor conservation in their philanthropy, but the numbers are so attractive that we ought to make an effort to convert others as well. Among other strategies, we ought to ask our members to approach companies they work for and company officers they know.

# NORTHERN CONNECTICUT LAND TRUST CORPORATE PHILANTHROPY PROGRAM

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It ought to be possible to persuade the corporate philanthropy decision makers of several businesses to purchase and we deem worth preserving and donate it to us.

Example:

A 133-acre piece of farmland in southeastern Fairfield is for sale for \$892,000. Lingo offers \$800,000 and pays it for \$840,000, then immediately donates it to the NCLT. They get a \$420,000 net credit on their state business taxes. They also get an \$840,000 deduction on their federal business taxes, which at a marginal rate of 39% is worth \$327,600 to them. Their net cost to preserve 133 acres is \$22,400 but it sounds like they gave \$840,000. The leverage they can achieve in their state might appear to them.

The Companies:	The Farms:
Lingo	Fairfield
Holland State	Fairfield
Westover	Fairfield
Lingo	Fairfield
Southern Auto Sales	East Windsor
Corbin Scientific	East Windsor
Physical Amusement	East Windsor
national retail chain	Fairfield, Vernon, Shelton
Agway Food	Wilmington, Fairfield
John Love & Stanton Equip	East Windsor
Crop Production Services	East Windsor
Northeast Utilities	East Windsor
Dr. Mar	East Windsor
Rice Paper/Action Packaging	Wilmington
Acetone	Wilmington
Big Y	Stafford, Fairfield
Cano	Stafford
Lingo	Stafford
Wmms of Stafford	Stafford
Southern Station	Southern East Windsor
Washington's Brother	Southern
many	Windsor Locks, Manchester

There are many more than have made this list. It would clearly be most effective to target those companies known to favor conservation in their philanthropy, but the numbers are so attractive that we ought to make an effort to convert others as well. Among other strategies, we ought to ask our members to approach companies they work for and company officers they know.

Note: throughout, reference has been made to both 'corporations' and 'businesses'. All entities that pay business income taxes to the State of Connecticut, rather than passing income tax liability through to the owners, qualify.

Another aspect of the corporate philanthropy program would concern those businesses that are already landowners. They break down into two categories: those businesses that are selling their land and those that are not. Those that are will clearly benefit from a donation, given two assumptions: they have enough business tax liability to take advantage of the credit, and their basis in the land is low enough that they would be paying tax on the gain in a sale. In that case, a sale may net them as little as 58% of the sale price even without paying a real estate brokerage fee, versus 89% of market value in a donation. Even those with a high basis would probably net more in a donation than in a sale.

Those businesses that don't have enough business tax liability to take advantage of the credit aren't benefited by it and wouldn't take advantage of it. Except: those that are selling land anyway could sell some of it and donate the rest, assuming their basis is low enough, or they could donate a conservation easement and then sell the land. Or, if our interest in the land was strong enough, they could take advantage of the tax credit in a bargain sale of the whole parcel or the bargain sale of a conservation easement and subsequent sale of the land.

Those businesses not intending to sell their land may go any of several ways. Those that have excess land may wish to donate it and take the same advantages as above. On the other hand, those that need their land or merely don't wish to dispose of it could still donate a conservation easement to the Land Trust and receive the tax credit.

The third group of businesses that could take advantage of the tax credit is a subset of those that are selling land: mortgage holders who foreclose on land in our area. They almost always sell the real estate they take over, and the same arguments apply as for those businesses that acquired their land in the normal manner. The lenders include:

Farm Credit Service  
Fleet Bank  
Savings Bank of Rockville  
Savings Bank of Manchester  
Tolland Bank  
Stafford Bank  
Webster Bank  
Windsor Locks Bank & Trust  
New England Savings Bank  
Peoples Bank  
BankBoston  
Bank of South Windsor  
Enfield Federal Savings & Loan

Savings Institute  
First Federal S & L of East Hartford  
Northwest Community Bank  
Mechanics Savings Bank  
Windsor Federal Savings & Loan  
American Savings Bank  
Citizens National Bank  
First Union National Bank  
Chase Manhattan  
Glastonbury Bank & Trust  
Liberty Bank  
First National Bank of Suffield  
Federal Deposit Insurance Corp.

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Another aspect of the corporate indemnity program would concern those businesses that are already landowners. They break down into two categories: those businesses that are selling their land and those that are not. Those that are will clearly benefit from a donation given two assumptions: they have enough business tax liability to take advantage of the credit, and their basis in the land is low enough that they would be paying tax on the gain in a sale. In that case, a sale may not then be better as 20% of the sale price even without paying a real estate brokerage fee, versus 80% of market value in a donation. Even those with a high basis would probably not more in a donation than in a sale.

Those businesses that don't have enough business tax liability to take advantage of the credit aren't benefited by it and wouldn't take advantage of it. Except those that are selling land anyway could sell some of it and donate the rest, assuming their basis is low enough so they could donate a conservation easement and then sell the land. Or, if our basis in the land was strong enough, they could take advantage of the tax credit in a bargain sale of the whole parcel or the bargain sale of a conservation easement and subsequent sale of the land.

Those businesses not intending to sell their land may, in any of several ways. Those that have excess land may wish to donate it and take the same advantages as above. On the other hand, those that need their land or merely don't wish to dispose of it could still donate a conservation easement to the Land Trust and receive the tax credit.

The third group of businesses that could take advantage of the tax credit is a subset of those that are selling land; mortgage holders who purchase on land in our area. They almost always sell the land either they take over, and the same arguments apply as for those businesses that acquired their land in the normal manner. The lenders include:

First Federal Savings & Loan	Bank of America
First National Bank	Bank of Boston
First Union National Bank	Bank of South Windsor
Chitose National Bank	Bank of Vermont
American Savings Bank	Bank of New England
Windsor Federal Savings & Loan	Bank of New England Savings Bank
Mechanics Savings Bank	Bank of New England Bank & Trust
Northwest Community Bank	Bank of New England Bank & Trust
First Federal Bank of East Hartford	Bank of New England Bank & Trust
Savings Institute	Bank of New England Bank & Trust



# NORTHERN CONNECTICUT LAND TRUST

## CONSERVATION EASEMENT PROGRAM

The Northern Connecticut Land Trust has always said that it would accept conservation easements, but has never pursued them at all. That is probably a mistake. A conservation easement program could have remarkable results.

Consider: the Salisbury Association, founded in 1980, owns 113 acres and has 1360 acres under easement. We own more than twice as much land as they do, but who has preserved more land? They have protected nearly six times as much land as we have, and isn't preservation our goal?

The Norfolk Land Trust, founded in 1982, owns 300 acres and has 1350 under easement. The land trusts of Connecticut generally, not counting larger organizations such as The Nature Conservancy, the Connecticut River Watershed Council, or the Housatonic Valley Association, have eased a total of over 12,500 acres. We have clearly missed out on a powerful tool. (CRWC and HVA, incidentally, have eased about 3000 acres between them.)

When you think about it, the advantages of an easement program are obvious. A lot of landowners love their land and would never develop it, but they also want to keep on owning it. Therefore they won't give it to the Land Trust. Unfortunately, they can't live forever, and their heirs don't always feel as they do. They don't leave it to the Land Trust because they want their heirs to have it. Conservation easements could make everyone happy.

Conservation easements would be especially appropriate to farmland, since farmers certainly can't give their land away and then keep on farming. Admittedly, as long as the Purchase of Development Rights program still exists, even if it isn't funded, most farmers will want to get paid for their conservation easements, but many want nothing to do with the government, while others have undoubtedly despaired of ever getting the funding. The existence of thousands of acres of donated conservation easements around the state proves that some landowners are willing to donate their easements.

As mentioned in the section on corporate philanthropy, there are likely to be cases where a business would be able to donate a conservation easement and make money on it. It is also possible that we could find a way to buy easements – with the philanthropy program one possible source of funding.

The Northern Connecticut Land Trust should research how to develop and implement a conservation easement program. Very likely both the Connecticut Land Trust Service Bureau and the land trusts with successful easement programs would be glad to help.

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The Norfolk Land Trust, founded in 1983, owns 800 acres and has 1350 under easement. The land trusts of Connecticut generally, not counting larger organizations such as The Nature Conservancy, the Connecticut River Watershed Council, or the Housatonic Valley Association, have saved a total of over 13,500 acres. *We have clearly missed out on potential. (CRWC and HYA incidentally have saved about 3000 acres between them.)*

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