



VCC Goal: 100,000 More Acres of Protected Private Lands

At this year's annual meeting, Valley Conservation Council announced a bold goal for the region: to protect an additional 100,000 acres of land in the next four years. VCC plans to work with partner agencies, other land trusts, and most importantly, with landowners in the area to achieve that goal. VCC projects that about half of that acreage will be in the Shenandoah River basin, and half in the counties that are in the Upper James watershed.

Virginia has only a few years to comply with the Chesapeake Bay Agreement goal of protecting 20% of the watershed and has set a statewide goal of 400,000 acres. VCC believes a quarter of those could well come from this region. Much of the private land in the mountains and on the productive Valley floor not only helps protect our rivers and streams, but also is worthy of permanent conservation for its unique historic, scenic, natural and agricultural values.

This goal would mean tripling the approximately 50,000 acres of land protected by private easements in the region. Landowners in the Valley have shown they are willing to step up and do their part. The government is recognizing the importance of land protection with expanded federal incentives. Agencies are building their



At VCC's annual meeting, Executive Director John Eckman announced the goal of conserving an additional 100,000 acres in the region by 2010.

capacity to handle the increased demand for easements.

VCC is pushing ahead with plans to expand its outreach and education efforts in every county. Member support, contacts, and volunteer hours will be crucial in the coming years.

State Committee Studies Farmland Funding

During the last legislative session, the Virginia General Assembly formed a study committee to focus on funding mechanisms for purchase of development (PDR) rights programs. Two valley representatives, Senator Hanger and Delegate Cline, are on the committee.

PDR programs offer payment for conservation easements rather than relying on donations. As another tool in the land protection toolbox, they allow counties to guide conservation as well as development.

VCC has worked for many years to encourage this sort of active local government involvement in land conservation. Clarke and Albemarle counties have active PDR programs. In the region, Rockbridge County is seeking to purchase its first easement with its program while Augusta County has earmarked \$491,000 for PDRs and is taking the first steps towards establishing a program.

Experience nationwide indicates that county programs are much more successful if they can leverage the local investment with state and other sources. Maryland,

Pennsylvania, and Delaware all have active state funding programs, providing hundreds of millions per year in purchase support.

Thus far, Virginia has not had a statewide program. VCC is joining other groups and Valley representatives in providing input to the study committee.

Valley Support Essential

With the legislative session coming up, farming counties in the Valley need to let their local and state representatives know that supporting state funding for PDRs is a priority. If state funding does become available, localities will need to be ready to begin their programs quickly and provide some form of matching support.

What to Do: Interested citizens should encourage their localities to ask for State PDR funding in their legislative packets and move to adopt a local PDR program that would qualify for such funds.

Saving Land, Building Community: VCC's Annual Meeting



Valley Conservation Council's annual meeting and picnic on September 9 offered it all – an entrancing location, great company, delicious food, and the chance to learn firsthand about conservation efforts. Many of the 150 attendees lingered long to enjoy the delightful weather and connect with others from throughout the region.



Event organizer Rosemary Wallinger (left) and host Paula Rau (right) find time to relax and enjoy the party.

at the historic John Colter House in Stuarts Draft



VCC Chairman Mark Hollberg introduces the guest speaker.



Congressman Bob Goodlatte, first chairman of the House Committee on Agriculture from east of the Mississippi in over 40 years, called his "the most beautiful congressional district in the U.S." and described efforts to spread the costs of land protection and provide incentives to keep farmers on the land.



Jim Brown and Charlotte Stephenson

Thank You, Meeting Supporters

Planters Bank, Myers and Woods Appraisal Group, Inc., Conservation Services, BotkinRose PLC, Wheatlands Grass-finished Beef, Rockbridge Vineyards, Calhouns Restaurant and Brewery, Staunton Steam Laundry, and Greg Moody and Brian Mesko (music).



Jim and Georgie Young

Tours & Talks



Workshops included a guided tour of Cowbane Prairie Natural Area Preserve (left), a riparian restoration project, a seminar on Saving Family Lands, and an agricultural heritage slide show.



The grounds offered a diverse setting all ages could enjoy.

Land Use Policy Work Wins Continued Funding

VCC has won additional funding for its Shenandoah Land Use Network through a Chesapeake Bay Small Watershed Grant. With consulting planner Sara Hollberg and other partners, VCC staff will continue to develop targeted programs to help localities deal with specific growth management issues. The program aims at bringing together local staff and technical resources to address a particular issue. Through the network, VCC makes the findings available regionwide.

First up this fall are charrettes on financing resource protection with the Shenandoah Resource Conservation and Development Council and the Environmental Finance Center of the University of Maryland. A varied line-up of workshops and research is anticipated next year.

The grant also enables VCC to continue its education programs on best planning practices. VCC can present to government officials or civic groups on a wide range of topics. The newest program, Water Protection Through Land Use, covers ways that localities can build in environmental protection as development escalates.

Grant Supports New Technology

We are excited about the opportunity to introduce a new member of our office staff: a new Xerox copier. Paid for by a generous grant from the Norcross Foundation, this copier is an exciting new tool to reduce the amount of staff time spent on administrative tasks. Through this same grant we were also able to purchase a digital camera for easement monitoring and documentation, a color printer for easement mapping and photo printing, and aerial photography to map our easements. We are considering donating the old copier to a museum.

New Members

Augusta Region

Donald Clark
Kenneth Hearst and
Kathryn Guenther
Peggy M. and Rowan K.
LeCompte
Dr. G. A. Lodoen
Tony Smith and
Karen Madison
Mac McCray
Steven Shreckhise
Virginia Talcott
Sylvia and Douglas Woodworth

Highland County

Michael and Nickie Dymersky

Rockbridge Region

Donald Firebaugh
Dick and Mary Fowlkes
Keith and Penny Holland

Ian MacFarland

Faith Vosburgh

Rockingham Region

David Bernstein and
Sharon Cote
Ray and Debbie Showalter

Shenandoah County

Jeanne Roslanowick and
Kevin Sullivan
Larry Smith
Elizabeth Paradis Stern

Warren County

Wayne & Susan Chatfield-
Taylor

From Afar

Theodore N. Barger
Tad and Erin Williams

Board Members Elected

Board elections at the annual meeting brought in four new members (below) and reelected four current members:

Diane Kearnes (Winchester), **Michael Pelton** (Augusta and Rockbridge), **Rick Shiflet** (Augusta), and **William T. Wilson** (Alleghany). Retiring board members Joe Davis and James Flory were thanked for their fine service.

New VCC Board Members

Keith Holland (Rockbridge County) is a farmer and builder and also serves on Rockbridge County's Growth Planning Committee. In recent years he and his wife Penny have placed a number of farms under easement.

Matt Morgan (Rockbridge County and Richmond), a VMI graduate, manages print sales for Colonial Printing in Richmond, where he lives with his wife and young children. His father John Morgan was a Buena Vista native and Matt spent much of his childhood enjoying Rockbridge County. Their family's 286-acre Rockbridge farm, "Big Hill," was placed under easement in 2004 and Matt carries on his late father's strong interest in conserving the Valley's land and heritage.

Ray Showalter (Rockingham County) and his family have a poultry and cattle farm west of Dayton. He and Debbie are both lifelong residents of that area. Ray is placing an easement on 114 acres of land that incorporates practices providing significant watershed protection for the Dry River. Ray is vice-president of Poultry Specialties, an equipment supplier. His interests include hunting, fishing, hiking, and playing music.

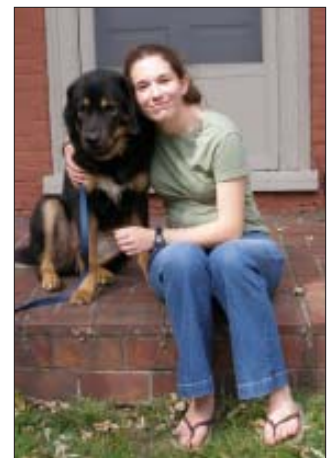
Wesley Woods (Highland and Amherst counties) is an appraiser specializing in conservation easements with Myers and Woods Appraisal Group. He and his wife Melanie live north of Lynchburg, but Wesley grew up in Augusta County and spends plenty of time at his 198-acre conserved farm in Highland County. Wesley is a frequent speaker at workshops with VCC and other land trusts.

Intern, Specialist Join Staff

VCC intern Rachel Reich, a sophomore at Mary Baldwin College majoring in international relations with a special interest in mediation, chose to volunteer at VCC because of her interest in the outdoors.

At VCC, Rachel will help staff members coordinate easement outreach, renew agricultural and forestal districts, and prepare for Land Trust Alliance accreditation.

We also welcome Artemis, our Mountain Protection Specialist. Artemis is a Tibetan Mastiff and specializes in guarding VCC's office from snow leopards.



Botetourt County Heading for a Record Easement Year

A recent easement recorded on 240 acres of forest land owned by Larry Ceola protects almost a mile of the Sukey Johnson Branch, a tributary of Borden Creek, a Class V Trout Stream. The property has unique features including sinkholes and shale barrens. The easement is held by the Virginia Outdoors Foundation.

Four other easements are in the works on another 1,965 acres. In all the years prior to 2006 a total of 1,885 acres had been permanently protected in Botetourt County. In just one year that number is going to double, thanks in part to the efforts of Genevieve Goss, VCC's county steward for Botetourt County, who worked closely with these landowners and our partner organizations.



The Ceola property in Botetourt County helps protect a trout stream and contains sinkholes and shale barrens.

Frederick County Couple Protects Family Land

Bud and Pattie Good's 118-acre farm in Frederick County is part of the original "Good Settlement" in the Back Creek area from the early 1800s. They recently donated a permanent conservation easement on their property which is co-held by VCC and the Virginia Outdoors Foundation. Beyond the farm's historic elements, which have both personal and public significance, the mostly forested land also protects 525 feet of Back Creek as well as several springs and streams. Back Creek is considered a threatened waterway by the Virginia Department of Game and Inland Fisheries.

"Pattie and I are comforted by the fact that our kids and theirs are now guaranteed the opportunity to enjoy as we have the unspoiled land and environment it helps create," said Bud. Pattie added that she's grateful to "the good people at VCC and VOF [who've] helped our family do what we could to preserve the open space and rural lifestyle that have made Frederick County a fine place to live."

As growth pressures continue to fragment forest stands, the Goods see protecting their piece of heritage as just a first step. They are working with VCC to encourage their neighbors to consider their conservation options.



Bud Good and his wife Pattie have protected part of the original Good Settlement in Frederick County.

Back From the Brink in Highland

Several years ago, a proposal to subdivide a 366-acre farm in Highland County's pristine Blue Grass Valley into small lots resulted in a community outcry. Now an easement by the new owners, the Ward family, is "the best possible scenario" according to local resident and VCC Board Member Charlotte Stephenson.

The property hosts a diversity of wildlife and contains springs and headwater tributaries of the Jackson River. The easement is adjacent to another easement held by the Virginia Outdoors Foundation, creating a block of over 1,000 acres that are permanently protected.



Jeff and Kathryn Ward have protected this beautiful part of Highland County.

Congress Boosts Incentives for Land Conservation

Farmers and other landowners should take note of the new incentives the federal government has provided for taxpayers who choose to permanently limit development on their property. President Bush has signed into law changes that will greatly reduce the tax burden for property owners willing to protect their land. The new law only applies to easements donated in 2006 and 2007. VCC and the national land conservation community are working to try to get these positive changes extended.

"This is the most significant change in federal land conservation policy in years," said John Eckman, Executive Director of VCC. "People in the Valley have shown a lot of interest in saving land before these changes and now we expect many more will want to see whether permanently protecting their land is right for them."

Increased Charitable Deduction

The new law raises the deduction for a charitable contribution a landowner can take for donating a qualified conservation easement from up to 30% of their adjusted gross income (AGI) in any year to up to 50%. Qualifying farmers can now deduct as much as 100% of their adjusted gross income. The new law also allows landowners to carry these tax deductions forward for 15 years.

Better Benefits for Those with Modest Incomes

These changes are especially important for people who do not usually pay much in taxes and need to be fairly compensated for keeping their land less developed. In the right situation, landowners who receive at least 50% of their income from farming might eliminate much if not all of their federal tax liability for up to 16 years with a qualified easement donation of a sufficient size.

*"It makes sense to conserve it
[with an easement] and
get some money you can put away."*

- Dayton Farmer Ray Showalter

Easements Can Help the Farm Business

A conservation easement can help farm families build up their farm business. "In planning to expand our farm operation, we realized that doing an easement and selling state tax credits will allow us to purchase another property we might not have been able to afford," said Dayton farmer, Ray Showalter. "If you want to keep your land together for your children, it makes sense to conserve it and get some money you can put away for retirement or other uses." An easement likewise can help a farm family plan to (and afford to) pass land on to the next generation

Virginia Offers Great Tax Incentives

In Virginia, the federal incentive is only part of the equation. Virginia also has one of the most generous tax credit programs in the country. The Commonwealth offers 40% of

the value of a qualified easement as transferable state tax credits that can be used to pay off taxes or can be sold to other taxpayers for cash. (See adjoining article.)

Latest Rules Summarized

Federal incentives

(apply to easements in 2006 & 2007 only)

- Charitable deduction allowed for up to 50% of adjusted gross income (AGI)
- Qualified farmers can deduct up to 100% of AGI
- Tax deductions can be carried forward 15 years

Virginia Incentives

- 40% of the value of the easement qualifies for a state tax credit
- Tax credits can be sold to other taxpayers for cash
- Tax credits can be carried over for 10 years.

What Is a Conservation Easement

Conservation easements are a legal tool that allows landowners to protect their land while still owning it, farming it, and having the ability to sell the property or pass it on to their children. Because there is an acknowledged public benefit to open space, donations of perpetual easements can qualify for charitable tax deductions.

Virginia Changes Land Conservation Tax Credits

The General Assembly has passed changes to one of the most effective conservation programs in Virginia, shrinking some benefits for land protection while offering improvements in other areas. The changes reduce the amount of tax credits available to landowners who decide to put a permanent conservation easement on their land, but they increase the number of years over which landowners can use their credits.

Beginning in 2007, the new changes will reduce the value of the Virginia land conservation tax credits from 50% of the value of a donated easement to 40%, and put a \$100 million cap on the entire program statewide. The legislation also mandates a new fee for the transfer of tax credits, of 2% of the credit to a maximum of \$10,000. Positive changes as part of the new law include extending the number of years credits can be used from 5 carry-over years to 10 and strengthening standards and review, particularly on very large deals, to avoid abuses in the program.

These state changes are offset by recent increases in the federal incentive for land conservation, ensuring a continued strong incentive for farm and forest landowners who wish to protect their properties.

Running the Numbers

What Would an Easement Mean for My Finances?

VCC offers the following case studies as examples only, to provide a general idea of the financial aspects of an easement donation. Please consult with a qualified financial advisor to see how an easement would work for your particular situation. Note that landowners must have at least 50% of their income from farming to qualify as a farmer.

Every taxpayer's results will be different. Prices for tax credits sold may vary. Income from the sale of tax credits has been spread over several years to maximize tax benefits. For more information on how these numbers were calculated, contact Jackie Jamison at the VCC office, 540/886-3541.

Case 1: Landowner with an income (AGI) of \$50,000 donates an easement valued at \$500,000

State Tax Credits Registered (40% of easement value)	\$200,000
Tax credits used to pay Virginia income taxes (over 11 years)	\$ 18,095
Income from tax credits sold to other Virginia tax payers	\$117,334
Savings over 16 years from federal taxes (up to 50% AGI)*	\$ 26,356
Total tax savings	\$161,785

Case 2: Farmer with an income (AGI) of \$50,000 donates an easement valued at \$500,000

State Tax Credits Registered (40% of easement value)	\$200,000
Tax credits used to pay Virginia income taxes (over 11 years)	\$ 18,095
Income from tax credits sold to other Virginia tax payers	\$117,334
Savings over 16 years from federal taxes (up to 100% AGI)*	\$ 32,566
Total tax savings	\$167,995

Case 3: Landowner with an income (AGI) of \$50,000 donates an easement valued at \$1,000,000

State Tax Credits Registered (40% of easement value)	\$400,000
Tax credits used to pay Virginia income taxes (over 11 years)	\$ 18,095
Income from tax credits sold to other Virginia tax payers	\$247,334
Savings over 16 years from federal taxes (up to 50% AGI)*	\$ 16,546
Total tax savings	\$281,975

Case 4: Farmer with an income (AGI) of \$50,000 donates an easement valued at \$1,000,000

State Tax Credits Registered (40% of easement value)	\$400,000
Tax credits used to pay Virginia income taxes (over 11 years)	\$ 18,095
Income from tax credits sold to other Virginia tax payers	\$247,334
Savings over 16 years from federal taxes (up to 100% AGI)*	\$ 67,696
Total tax savings	\$333,125

** Because income from selling Virginia tax credits is federally taxable, income levels rise the years these tax credits are sold, which increases the federal tax burden in those years and decreases overall federal savings for the easement donation.*

Easement Protects Tree Farm in Augusta County

Bill Francisco, a longtime VCC member, recently recorded an easement permanently protecting over 100 acres of working farmland in Augusta County east of Middlebrook. The property boasts wonderful scenic beauty along with a historic home and outbuildings. Francisco has an active farming operation growing Christmas trees.

The easement is co-held by the Valley Conservation Council and the Virginia Outdoors Foundation. This is the 71st easement coheld by VCC.

Francisco farm in Augusta County



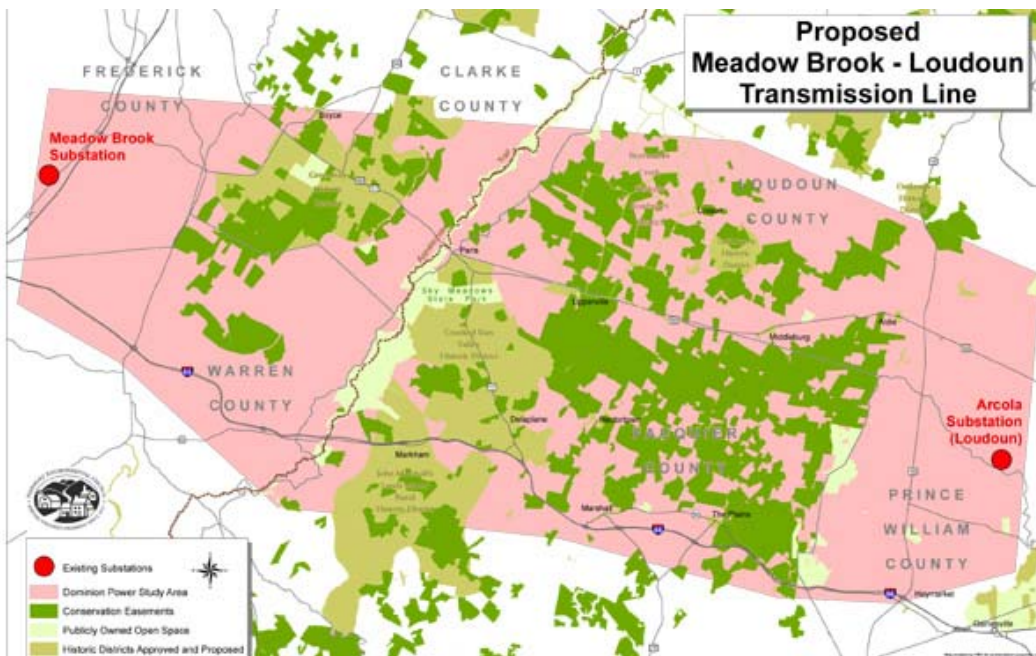
Huge 500 kV Powerline Proposed Through Protected Lands

The Mid-Atlantic's regional power transmission organization has unveiled plans for a new high transmission power line that would stretch from Pennsylvania through West Virginia and end in Loudoun County. Valley counties affected include Frederick, Warren, and Clarke. The organization, PJM Interconnection in conjunction with Dominion and Allegheny Power, has filed a request with the Department of Energy (DOE) to declare the DC-Baltimore Metropolitan Region a National Interest Electric Transmission Corridor (NIETC) which is defined as "any geographic area experiencing electric energy transmission capacity constraints or congestion that adversely affects consumers." An NIETC designation would enable the company to establish a right-of-way for the power lines, despite state or county-level opposition.



Thanks to the hard work of the Piedmont Environmental Council, groups across the state are rallying to fight this designation. Of particular concern to land trusts is the fact that with the designation, federal eminent domain could be used to seize property for the proposed power line. The 500-kilovolt power lines stand 125 to 175 feet tall with a right-of-way width of 160 to 200 feet, which would negatively impact the scenic and open space values of Virginia's privately conserved lands, a quarter of which lie in the study area.

In June, PJM authorized the construction of \$1.3 billion in electric transmission upgrades, including this 240-mile project. Recently, DOE published its National Electric Transmission Congestion Study which indicated a need to relieve congestion in the Atlantic coastal area including northern Virginia and the Washington DC area.



Graphic and photos courtesy of Piedmont Environmental Council.

What can you do?

Go to VCC's website www.valleyconservation.org for links to the latest information, action items, and to sign up for email alerts.

The transmission line study area (shaded) covers a wide swath of northern counties. Dark areas show conservation easements.

Counties Look at More Protective Zoning Options

Augusta Considers Tightening Rules

Following recommendations of its Agricultural Task Force, Augusta County is proposing to tighten loopholes and reduce the frequency of minor subdivisions in rural areas. Nearly half of the lots created in 2004 were in ag zones. The proposal would limit divisions to 1 per 3 years in General Agriculture and 1 per 5 years in Exclusive Ag zoning.

The county also has stepped up work on its comprehensive plan update, with new consultants and an ambitious plan to finish the draft by the end of the year. Recent workshops confirmed the primary goal of directing the great majority of new growth into the urban service areas and reducing development of farmland.

Shenandoah Looks at Sliding Scale

Shenandoah County, led by an active Farm Bureau, is working on many fronts to help protect farmland. The county is faced with some of the most intense development pressure in the region. A committee made up of county administration, supervisors, and private citizens has been researching sliding scale zoning, a hybrid method that gives all landowners some development rights while reducing the overall development potential for large-scale subdivisions in rural areas. They are hearing from leaders in places like the Pennsylvania Dutch region and nearby Clarke County where sliding scale zoning has been instrumental to success in maintaining rural areas.



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Celebrating Conservation through Landscape Painting

On August 25, VCC and the Beverley Street Studio School hosted an art opening celebrating the conservation legacy of Waverley Hill in Staunton. Attended by over 150 people, the evening featured landscape paintings of the property by many local artists.

Waverley Hill, the home of Anne Smith, whose late husband McKelden Smith was a founding member of VCC, is protected by a historic preservation easement held by the Virginia Department of Historic Resources. The 1993 easement was one of the early easements with which VCC was involved. McKelden said he put the easement on Waverley Hill because he “wanted the property to stay in its natural state, and [he] thought it would be a great opportunity to keep a little green space in the city.” The historic house sits within 20 acres of grounds and growing forest.

Time to Give Generously

Support VCC's efforts to conserve 100,000 more acres in the Shenandoah Valley region.

Inside this issue

VCC's 100,000 Acre Goal - p. 1
Powerline Threatens Eased Area - p. 7
New Incentives for Easements - p. 5



As she steps down from the Virginia Outdoors Foundation, VCC joined with VOF staff in presenting Faye Cooper with a painting of Waverley Hill. The gift ties together her long association with the Smith family, VCC, and VOF, where she was the first easement director for the Valley.

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