



# KACHEMAK HERITAGE LAND TRUST

*Conserving the natural heritage of Alaska's Kenai Peninsula for future generations*

## LANDOWNER PACKET

# CONTACT



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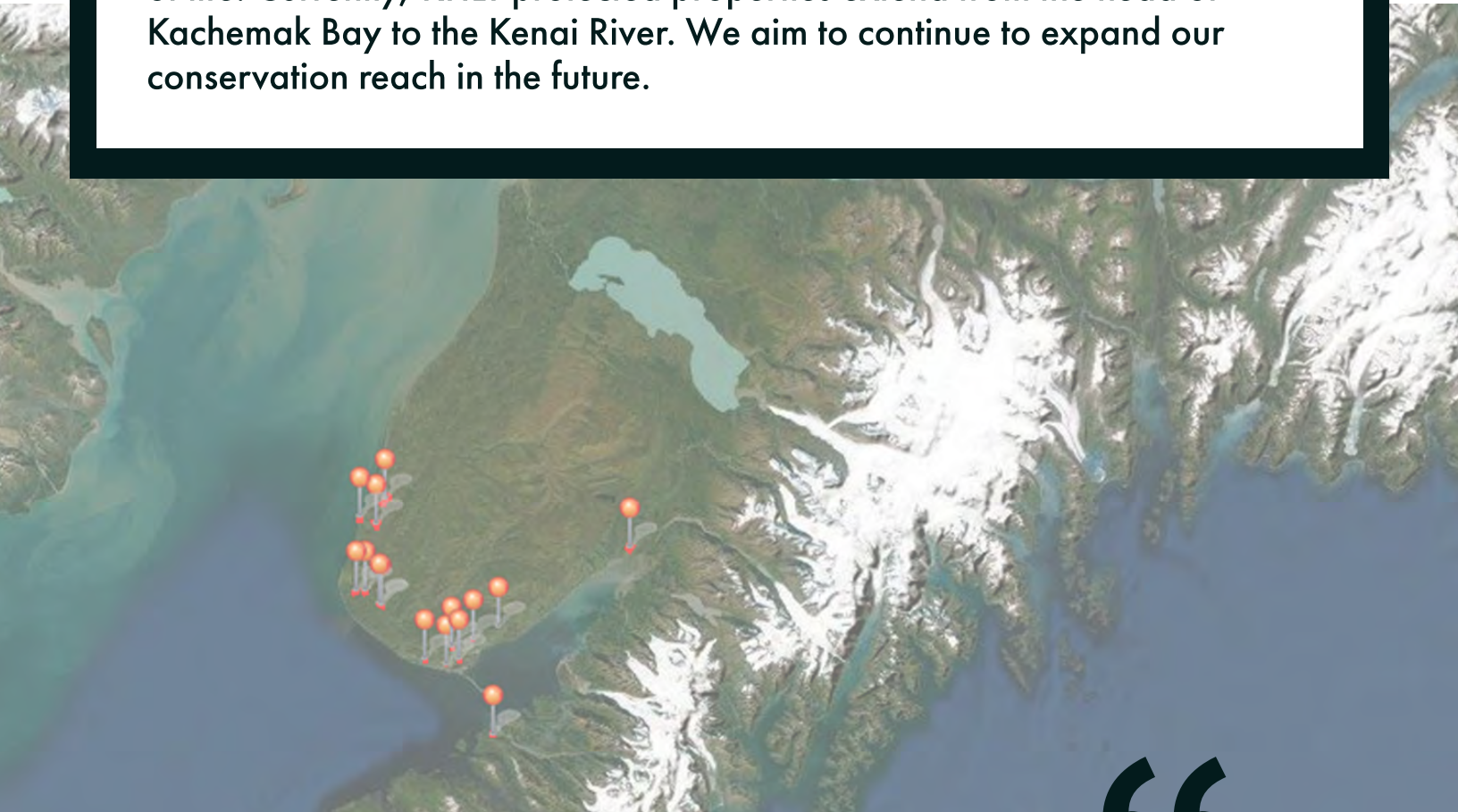
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# MISSION & VISION

Kachemak Heritage Land Trust (KHLT) was founded in 1989 as the first land trust in Alaska. As a 501(c)(3) nonprofit organization, our mission is to work with willing landowners to preserve irreplaceable lands on the Kenai Peninsula for the future. Our strategic focus is to permanently protect important fish, bird, and wildlife habitat in addition to recreational lands benefiting Peninsula communities and our unique, Alaskan way of life. Currently, KHLT protected properties extend from the head of Kachemak Bay to the Kenai River. We aim to continue to expand our conservation reach in the future.



*Preserving  
irreplaceable  
lands for the future*

“

*“If I hadn’t preserved this land there would be a million little houses on it by now. Anyone driving up this road in the future will always have this beautiful view. That’s the whole point—it will always stay the same.”*

TOBY TYLER

”

# KEY TERMS

## Land Trust

A charitable organization that acquires land or conservation easements and stewards land or easements to achieve one or more conservation purposes. KHLT also educates the community about the importance of protecting land through events and programs.

*Perpetuity: Forever, permanently*



## Conservation Values

The features present on a property including natural resources, biodiversity, open space, historic factors, heritage values, recreational resources, and more.

## Stewardship

Taking care of land by documenting conservation values of a particular property over time and encouraging landowners to care for their land in a way that protects these values.

# WAYS TO CONSERVE LAND WITH KHLT

A conservation easement is a voluntary legal agreement that restricts certain development and other uses of the property to protect its conservation values. This allows landowners to continue to own their land while protecting their property's conservation values. The terms of each individual conservation easement are tailored to each property, the landowner's wishes, and KHLT criteria.

## CONSERVATION EASEMENT

## DONATION OF LAND

Landowners of property with conservation values may leave a conservation legacy by donating their land to be owned and protected by KHLT in perpetuity.

Landowners who own property with conservation values can sell their land to KHLT at less than full market value which may result in additional tax benefits.

## BARGAIN SALE OF LAND

## TRADELAND

Landowners wanting to contribute to conservation who do not own property with conservation values can elect to donate their non-conservation property to KHLT with the express permission to the land trust to sell the property. The income from the sale supports KHLT's conservation work.

# QUALIFICATIONS

**As assessed by KHLT, the property must satisfy at least one of the following:**

Wildlife and fish habitat and/or migration routes

Endangered, threatened, or rare species or natural communities

Wetlands, floodplains, or other lands necessary for the protection of water quality

Shares a boundary with, or is in close proximity to, private or public land that is already permanently protected or that is likely to be protected in the future

Significant educational, recreational, or scientific value

Historical, cultural, or archaeological value

Open space for the scenic enjoyment of the general public



# BENEFITS & CONSIDERATIONS

Conserving land through one of the avenues KHLT provides may lead to several potential benefits for the landowner. KHLT cannot provide legal or tax advice, so we recommend consulting a professional for specific details related to each financial situation. Before beginning the conservation process, get to know the start up costs involved.

## **Achieving Conservation Goals**

KHLT works with the landowner to meet and maintain conservation goals in perpetuity.

## **Federal Income Tax Deduction**

In pursuing a conservation easement, a landowner agrees to limit development rights on their land. Therefore, the appraised land value may be reduced which could result in a federal income tax deduction as a non-cash charitable contribution. If a landowner chooses to donate their land, they are giving land to KHLT to own and protect in perpetuity. The donation of land may result in a federal income tax deduction as a non-cash charitable contribution.

## **Property Tax Reduction**

A conservation easement may lower or stabilize the landowner's property taxes.

## **Estate Planning**

In the case of a conservation easement, once the conservation agreement is recorded, the land is protected in perpetuity and therefore can be part of a succession plan to keep the land in the family for future generations.

## **Startup Costs include but are not limited to:**

Project Fee - \$1,200

Baseline Documentation Report OR Management Plan - \$3,500

Legal and Tax Consulting

Land Survey

Mineral Remoteness Report

Closing Costs



In accepting a property for conservation, Kachemak Heritage Land Trust assumes the legal obligation to forever protect the land’s conservation values — this is what we call our stewardship obligation. Stewardship in perpetuity requires staff time and organizational resources including legal defense, if necessary. Therefore, every conservation project must be accompanied by a stewardship donation prior to or at the time of closing. KHLT staff will request a donation from the landowner first, though the funds can come from a variety of sources.



# STEWARDSHIP

“

*Each generation has its own rendezvous with the land, for despite our fee titles and claims of ownership, we are all brief tenants on this planet. By choice, or by default, we will carve out a land legacy for our heirs.*

STEWART UDALL

”

**Stewardship Costs include but are not limited to:**

- Site Protection
- Monitoring
- Land Management
- Maintenance
- Insurance

These costs are calculated for one year and multiplied by a capitalized rate to account for stewardship in perpetuity.



# PROCESS

The next two pages outline the steps to implementing a conservation easement or conservation through donation of land to KHLT.

## 1 Landowner Discussion

KHLT staff will meet with landowner(s) to learn about their conservation goals for the property and explain the process in greater detail. Staff will discuss the startup and stewardship costs associated with conserving land with KHLT. After this discussion, KHLT will determine if the proposed project is feasible based on our internal criteria. The landowner will be given a Landowner Questionnaire and Project Fee & Acknowledgement Form to be completed and returned.

## 2 Site Visit

If KHLT determines that the project qualifies, a site visit will be scheduled to inspect the property. KHLT staff and technical advisors will take photos and note the conditions of the property to complete the Property and Hazardous Materials Evaluation Forms.

## 3 Project Fee & Acknowledgment Form

After the site visit, the landowner will submit a \$1,200 Project Fee and a signed Acknowledgement Form to KHLT. This commits KHLT to pursuing the initial phases of a conservation project. The signed Acknowledgement Form documents the landowner's understanding that KHLT cannot provide any legal, financial, or tax advice to the landowner with respect to the conservation project.

## 4 Title Review

Once KHLT receives the landowner's Project Fee and signed Acknowledgement Form, staff will order and, with legal counsel, review a copy of the property's title work. **For a conservation easement:** KHLT requires clear title and payment of taxes through the date of easement recording in order to proceed. If there is a mortgage on the property, the landowner must work with their lender to subordinate its interests to KHLT. If subsurface mineral rights have been severed from the estate, they must be either subordinated to the easement or KHLT will obtain a mineral remoteness letter, at the land owner's expense, concluding that the "probability of surface mining occurring on such property is so remote as to be negligible."

## 5 Board Motion to Proceed

After reviewing the property's title work, KHLT staff will present the proposed project to the Land and Easement Committee and Board of Directors. The Board of Directors must make a motion to proceed on the conservation project for the project to move forward. If a motion is made and the project is voted for, KHLT will confirm the Board's decision in writing along with the organization's understanding of the direction and purpose of the conservation project.

## 6 Prepare Deed

**For a conservation easement:** KHLT staff will draft the deed of conservation easement identifying different protection and use areas on the property. After review by KHLT's attorney, KHLT will provide a copy of the draft to the landowner and landowner's attorney for review. Once a near-final draft exists, KHLT will assist the landowner in hiring a surveyor to work with KHLT to survey the restricted areas outlined in the deed.

**For donation of land:** KHLT's attorney will draft the deed of conveyance and provide a copy of the draft to the landowner and landowner's attorney for review.

## 7 Baseline Documentation Report / Management Plan

**For a conservation easement:** The Internal Revenue Service requires that each conservation easement is accompanied by a Baseline Documentation Report that documents the present condition of the property. The Baseline Documentation Report is used to monitor the property annually and helps defend the protected conservation values. A completed, signed document must be in place prior to or at the closing of the conservation easement.

**For donation of land:** A management plan will be created by KHLT to ensure the donor's intentions are followed and the identified conservation values are protected over time.

## 8 Appraisal

**For a conservation easement:** If a landowner is interested in receiving a tax deduction for a qualified conservation easement, KHLT will advise the landowner to seek their own tax advice and hire a qualified appraiser (one that meets current Internal Revenue Code appraisal requirements). An appraisal cannot be made earlier than 60 days before the easement records and must state the fair market value of the gift as of the date of contribution. KHLT will request a copy of the appraisal before signing a landowner's IRS Form 8283.

**For donation of land:** If a landowner chooses to donate property and wishes to receive a charitable tax deduction, they must commission a qualified independent appraisal to justify the purchase price of the property. If the landowner is interested in selling property to KHLT at a bargain sale value (below fair market value), the landowner should seek their own legal and tax advice to determine eligibility for an income tax deduction based on the value donated. It is the landowner's responsibility to contact and hire a qualified appraiser to conduct an appraisal when any property donation is valued at more than \$5,000. KHLT will request a copy of the appraisal before signing a landowner's IRS Form 8283.

## 9 Stewardship Donation

Every conservation project must be accompanied by a stewardship donation prior to or at the time of the property's closing. KHLT staff will determine the approximate costs of stewarding in perpetuity and will request a donation from the landowner first, though the funds can come from a variety of sources.

## 10 Final Project Approval and Acceptance

KHLT will negotiate with the landowner to finalize the terms of the deed of conservation easement and Baseline Documentation Report or the warranty deed. All final drafts of project documents will be presented to the Land and Easement Committee and Board of Directors including documentation showing the source of a full stewardship contribution. The Board will vote on final acceptance of the project and the landowner will be notified in writing the next day.

## 11 Closing

KHLT will coordinate the closing with a local title company. The closing costs are split between KHLT and the landowner to be paid at time of closing.