

# LYME LAND TRUST BULLETIN

The Lyme Land Conservation Trust

April 1996

Vol. VII No. 1

## PRESIDENT'S LETTER

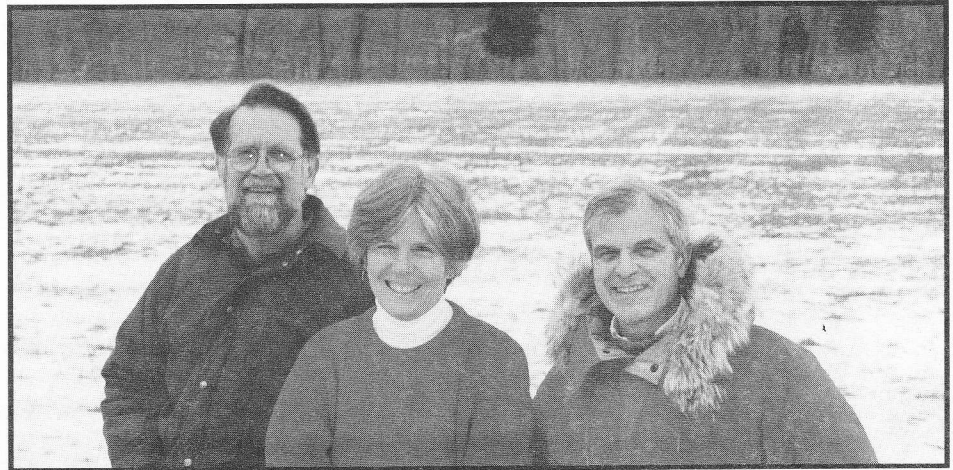
The term Conservation Easement comes up a lot at the monthly Land Trust meetings. It is the primary tool used in land conservation today. In fact, the three pieces of property protected in Lyme as open space during the past year were all saved using the conservation easement. But for all the benefits it brings to donors and the town, many people do not understand what it is and how it works.

Land ownership is actually composed of a bundle of rights. The value of each of these depends on the land use such as agriculture, timbering, mining and development. With a conservation easement the landowner donates the development rights and perhaps other restrictions to a non-profit group like your land trust. In exchange the owner receives a tax deduction for the value of the charitable contribution. For development rights this can represent anywhere from 60 to 80% of the appraised value of the property. The owner still retains private ownership plus complete use of the land for those rights not donated, and the land is protected as open space in perpetuity.

For a more in-depth look at this and other land protection strategies, we have included a short fact sheet for you to read and save. We will follow this up in the fall with a workshop exploring in detail this and other related financial strategies that help to preserve family lands. More information on the workshop will follow in our fall newsletter.

As you will read inside, we are very pleased to announce the donation of conservation easements to the

*continued on page 5*



Melvin Woody, Cynthia and George Willauer on their Beaver Brook property. Marilyn Schmitt absent.

## DONATIONS FOSTER CONSERVATION ON BEAVER BROOK

### IDEAL OF COMMON OWNERSHIP

Three families have donated conservation easements to The Nature Conservancy on some 60 acres of land south of Beaver Brook, stretching to the boundary of the Nehantic State Forest. The land also abuts a 39 acre plot left to the Lyme Land Trust by Marguerite Slosson, creating a swath of open space from Beaver Brook to Uncas Lake. The donors are George J. and Cynthia C. Willauer, J. Melvin Woody and Marilyn Schmitt.

The Lyme Land Conservation Trust will act as stewards of the land, with the easement to be transferred to the Land Trust in the next few years.

In a related donation, the Willaurs, with the cooperation of Carl Christiansen and Paula Perini, have granted an easement to the Lyme Land Conservation Trust on 8.5 acres on the north side of the brook. *(see related story)*

### HISTORY OF THE PARCEL

The history of the donation is complex. At one time the entire parcel from Beaverbrook Road to what is

*continued on page 2*

### REUNITING A FARM

In a separate agreement, Cynthia and George Willauer have donated a conservation easement to 8.5 acres of land north of Beaver Brook with the support of Carl Christiansen and Paula Perini. The Willaurs bought the former Lewis Gates farmhouse and acreage from the heirs of Dr. Alexander Reid Martin a few years ago. After renting a house for a few years, they made a sales agreement with Christiansen and Perini which included acceptance of a conservation easement on these acres.

"They didn't altogether understand, at first, that they nevertheless owned the land, but once they understood, have been very supportive of our objective to preserve this section of Pleasant Valley," said George Willauer.

The land includes another of the glacial fields that dot the brook valley. This then slopes down to the brook following the route of the old farm lane and ford. Much of the lower field is wetland, producing an unusually wide variety of wildflowers as well as animal life.

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See Calendar of Events on page 6.

## BEAVER BROOK IDEAL

*continued from page 1*

now the park boundary at the top of the hill was a single farm belonging to Lewis Gates. It was bounded on the west and north by the Stark farm. The farmhouse was at the present 69 Beaverbrook Road. The farm was bisected by about a thousand feet of Beaver Brook and a farm track and ford connected the two sides of the brook.

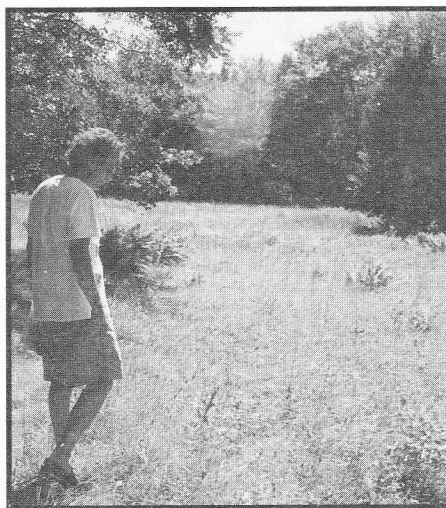
The farm was bought by the Luedemanns, who sold the farmhouse and acreage north of Beaverbrook to Dr. Alexander Reid Martin in the 1940s. In 1970 the Willaurs, Woodys and Schmitts bought 75 acres north of the brook, with the intention to own the land jointly so that all families could have free run of the countryside. However, as the land had adequate road frontage for only three houses according to zoning regulations, the town insisted that the property be divided to prevent any further subdivision. This gave each family about 25 acres.

To retain the original ideal of a common ownership, the families then reached legal agreements with each other to assure access to the whole property; they have maintained a common vegetable garden and common roadway; there is a communal swimming hole in the brook. The families have remained close friends – indeed an “extended family” as Cynthia Willauer describes it – in their enjoyment of the valley. Mrs. Schmitt now lives in California and is in Lyme only a few months of the year, but the Woodys and Willaurs are full-time residents and have been active in local affairs.

## EMBODYING AN IDEAL

“It was our wish that others would appreciate the value of this property and that our gift would encourage others to preserve Pleasant Valley,” said George Willauer. “We always hoped to be able to preserve it in perpetuity, but it was a slow process crafting the terms of what we jointly wanted and did not want to do. The easement became the vehicle to embody our vision.”

In the terms of the easement, each family retains full ownership of its residence and about five acres. Development rights on the remainder of the property are given to The



## REUNITING A FARM

*continued from page 1*

The two easements in a sense recreate the former Gates Farm, as well as protecting the Beaver Brook watershed. The Lyme Land Trust also owns about 70 acres further up the brook at the intersection of Beaver Brook and Grassy Hill Roads, a donation from William Beebe, and a 9 acre wetlands on the brook upstream from that. It also holds a number of small easements on Beaver and Cedar Brooks.

*Anthony Irving touring lower wetland meadow of the property north of Beaver Brook.*

Nature Conservancy while ownership is held by the donors.

## GEOLOGY AND HISTORY

The meaning of the land to the families is multifold. There is an interesting geologic as well as human history. There is abundant wildlife as well as the aesthetic pleasures of wood, field and stream.

As the ice of the last arctic age receded, rich soil was deposited, creating along the length of the valley a series of flat fields rising above the level of the brook. With no stones (a rarity in Lyme!) and 18 inches of top soil, these fields are prime agricultural land. Since the three families bought the land, they have enhanced the agricultural value of their eleven-acre field by agreements for tilling with local farmers, most recently the Tiffany Farm.

The diversity of the landscape has fostered a wide range of wildlife including a variety of hawks, ducks, turkeys and other birds, brook trout, coyotes and deer, mink and even, from time to time, beaver.

The field has also yielded a large crop of Indian artifacts, suggesting an important settlement along the brook. Signs of later settlers are revealed by an old house foundation at the top of the hill, even including plants that linger from the old garden. The old farm cart track and ford are still discernible.

## LYME ARTISTS AND PLEASANT VALLEY

Pleasant Valley is also associated with some of Lyme's noted painters, Robert Vonnoh, Eugene Higgins, and

Oscar Fehrer whose works were celebrated by an exhibition at the Florence Griswold Museum in 1991. The Fehrer heirs themselves recently made a major contribution to Lyme with the outright donation of the Pleasant Valley Preserve to The Nature Conservancy.

Pleasant Valley is an old name, but just where is it? Is it the Eight Mile River Valley, the Beaver Brook Valley or the confluence? George Willauer referred to an article in *Harpers* magazine of 1865, written by John Augustus Bolles, who had spent time as a youth in the valley, and returned in later years to write about it in rolling nineteenth century prose:

“The name of Pleasant Valley was worthily bestowed upon this spot nearly two hundred years ago by some adventurous settler who pushed out westwardly from Pequot along the margin of ‘the Sound’ and paused here in the glorious sunset of a summer afternoon to regale his eyes with its delightful scenery.

“A lively little stream serpentine through the Valley bounded on the west by graceful hills whose feet dip gently into its sparkling water, and the east by bluffs of wild and picturesque beauty. All which fertile field and meadow - all that rude and rocky precipice, wooded slopes, flourishing orchards and field of green or golden grain; and all that babbling brook and murmuring cascades can contribute to the varied beauty of the scene may be found and admired in this Valley of Delights.

*continued on page 5*



## EASEMENTS: CAN THEY HELP YOU?

The Lyme Land Conservation Trust was formed in 1966 to serve the residents of Lyme. Its mission is "to enhance the quality of life through conservation of the natural, scenic and historic landscape for the benefit of the residents, and to promote public education and the scientific study of these resources."

Although not explicitly stated in its mission, the Land Trust can also be of service in helping landowners plan the future of their family lands so that their children may continue to enjoy them. As a non-profit conservation organization, the Trust may receive charitable donations of property or of easements, which, in many cases, can provide important tax advantages for families. (Only rarely has the Land Trust purchased land.)

A charitable gift favored by many landowners is the donation of a conservation easement. How does this work?

### WHAT IS CONSERVATION EASEMENT?

Ownership of land is actually made up of a bundle of rights, such as the right to mine, to farm, to cut timber, or to build. A conservation easement restricts the exercise of the right to develop part or all of the land, and possibly other acts which may be harmful. The owner retains ownership of the property with the remaining rights.

The easement is recorded at town hall and held by the charitable organization in perpetuity. The owner may sell his or her interest in the property or leave it to his children, but the easement continues to be held by the charitable organization which is responsible for its enforcement.

### IS ANY LAND ELIGIBLE?

The gift must be for "conservation purposes" such as protecting natural habitat, scenic open space qualities, water resources, forests and agricultural land, which are considered for the public good. Most land in Lyme would probably qualify.

### WHAT IS THE VALUE OF AN EASEMENT?

This must be determined in the particular case by a licensed real estate appraiser. In general, it is the differ-

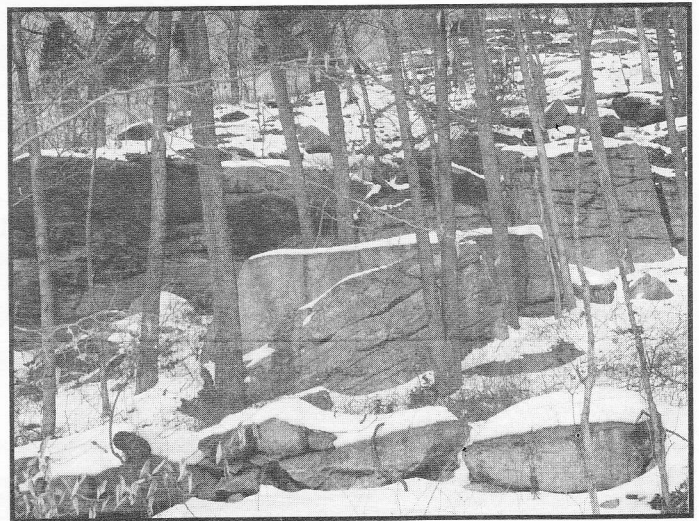


Lyme is fields ...

ence between the value of the land before the easement, and its value after donation of the development rights. For most practical purposes, this means the difference between the potential development value, and the residual value with no, or limited, right of development. Since much of the value of land in Lyme resides in development potential, an easement can sharply reduce assessed value, sometimes as much as 80 percent.

### HOW MUCH IS LAND IN LYME WORTH?

Value will, of course, depend on location, access, suitability for building and other factors. As a rough rule of thumb, developable open space in Lyme is currently worth an average of \$10-15,000 per acre. Land without road frontage, with wetlands or steep slopes is worth much less.



... and rocks

### WHAT ARE THE TAX ADVANTAGES OF DONATION OF AN EASEMENT?

The advantages are threefold:

**First**, the value of the easement is considered a charitable gift by the Internal Revenue Service, and may be deducted from taxable income, up to 30 percent of that income in each year, over a six year period.

**Second**, the total value of the estate is reduced for calculation of estate taxes. The IRS taxes estates worth more than \$600,000 at rates varying from 37 to 50 percent. This amount is due nine months after death. Many landowners are not aware how valuable their land has become, and their estate does not have enough liquid assets to pay the tax. Heirs are often forced to sell land to pay death duties, even if the market is disadvantageous.

**Third**, by reducing the value of the land, the assessment for local taxes may be reduced.

There are also Connecticut estate taxes as well as federal taxes, although these are being phased out. Estate taxes can be particularly devastating to families which are land rich but cash poor. If you don't plan now, Uncle Sam may plan for you.

## DOES DONATION OF AN EASEMENT MEAN THE PUBLIC HAS ACCESS?

No. You may decide. Some landowners choose to give limited access such as for a trail or education purposes; some do not allow any access.

## HOW MIGHT A DONATION OF AN EASEMENT HELP YOU?

The tax advantages will vary according to the amount of the total estate, including savings, income from investments and the like. Only a lawyer versed in both the fine points of easements and tax law can work out the best strategy to fulfill the needs of an owner. An easement is only one possibility. A donation could be made now, in a will or combined with other estate planning tools, such as trusts or limited family partnerships. It might be made as a series of smaller donations. Some portion of a property may be reserved for development, for instance for lots for children, or even for sale, if it does not jeopardize the conservation values of the land.

Stephen J. Small, an attorney, has written a clear description of various tax strategies, giving a number of examples. The Land Trust has donated a copy of his Preserving Family Lands to the Lyme Library (call number 346-7305 SMA.)

## WHAT DOES IT COST?

Donation of an easement does entail professional expenses for a lawyer and an assessor. The conservation values will also need to be documented. In some cases a government agency can provide this documentation. These costs, however, are also tax deductible on the same basis as the value of the easement, as a charitable deduction.

## ARE EASEMENT DONATIONS COMMON?

Since 1981, the Lyme Land Conservation Trust has received twenty easements totaling 470 acres. It has outright ownership of another 290 acres. There are 110 other land trusts in Connecticut which all hold easements as well as the nationwide Nature Conservancy which holds easement on hundreds of acres in Lyme.

## LET US HELP.

The Lyme land Conservation Trust would be glad to answer questions or refer you to local professionals. Call President Anthony Irving at 434-1460.

The current federal budget proposal contains a new and valuable estate planning tool, which if passed could be useful to you. The Trust is planning to hold a workshop on the tax implications of easements in the Fall of 1996.



... and water

## OPEN SPACE HELPS TOWNS

At one time, conventional wisdom held that development was necessary for town fiscal health, but recent studies show this isn't necessarily so. One such study, Cost of Community Services in Southern New England undertaken for the Southern New England Forest Consortium Inc. looks at the revenues produced by, and the cost of services for, three types of land use: residential, commercial, industrial, and farm/open space in eleven towns in Southern New England.

In every case, for a dollar of revenue from residential property, the towns paid out in services from \$1.02 to \$1.46, with an average of \$1.14. Education was the largest expense. Towns with large or growing populations had greater losses on their residential land than did smaller or more stable towns.

Industrial/commercial properties as provided gains to the towns. For every dollar in revenue they produced, they cost only from \$.27 to \$.83, with an average of \$.30. In part this benefit was due to the higher tax assessments, and in part to lower service costs, notably no school costs. Those fiscal figures do not take account of possible side effects of extra traffic, increased residential development

as people move near jobs, or air, water or noise problems.

Open space and farmlands also benefit towns, without the potential drawbacks of commercial development. Open space on average costs these towns \$.42 for every dollar collected, varying from \$.23 to \$.86. Open space serves the towns by protecting water and wild life resources, air quality, and providing recreation areas.

While it is possible to determine how much property tax income is attributable to each category, how does one allocate such income as state or federal grants, or income from investment? Similarly, while cost of schools, libraries and welfare are attributable to residential areas, what about administrative costs, police and roads? The study develops a complex formula, based on assessed values and other factors, to allocate such income and expenditure to the three categories. There is necessarily some element of judgement in these figures, and special conditions in a town may create anomalies, but officials of the eleven towns reviewed the study and approved the results as a fair representation of the revenues and costs for these three categories.



## EARTH DAY ADVENTURES IN PLEASANT VALLEY



*New bridge by the Land Trust in Pleasant Valley. Another planned for spring.*

Join the Lyme Land Trust in celebrating Earth Day with a walk, from "river to ridge top," as Anthony Irving put it, in the Pleasant Valley preserve conducted by naturalists. Learn about the geology of the park, the birds, plants and other wildlife. Watch the Eight-mile River in spring flow, and see how many wildflowers

you can identify. If you have not already become acquainted with Pleasant Valley, this is a good opportunity to learn the trails.

Earth Day is Sunday, April 21. The tour will meet in the Lyme Town Hall parking lot at 1:00 p.m. There is no charge. 🌿

## PRESIDENTS LETTER

*continued from page 1*

Lyme Land Trust and The Nature Conservancy. Three neighboring land owners, Cynthia and George Willauer, Melvin Woody and Marilyn Schmitt, have donated a conservation easement on 60 acres of land to the south of Beaver Brook. In addition George and Cynthia Willauer have granted an additional easement on 8.5 acres just to the north of Beaver Brook. The donors believe strongly in the environmental role of the Beaver Brook watershed as a tributary of the Eight-mile River. This protection effort is a significant beginning.

Lyme residents are not the only ones who have recognized the value of the Eight-mile River watershed. The Nature Conservancy has undertaken a major effort to document the biological values of the 68 square mile Eight-mile Regional basin which includes lands in East Haddam and Salem as well as Lyme. The idea is to provide information and tools to help decision makers and residents with their land use decisions. We have invited the team to present their findings at our annual meeting in June. If you are interested in this unique ecosystem, from its headwaters to tidal marshes, we hope you will be there. 🌿

## BEAVER BROOK IDEAL

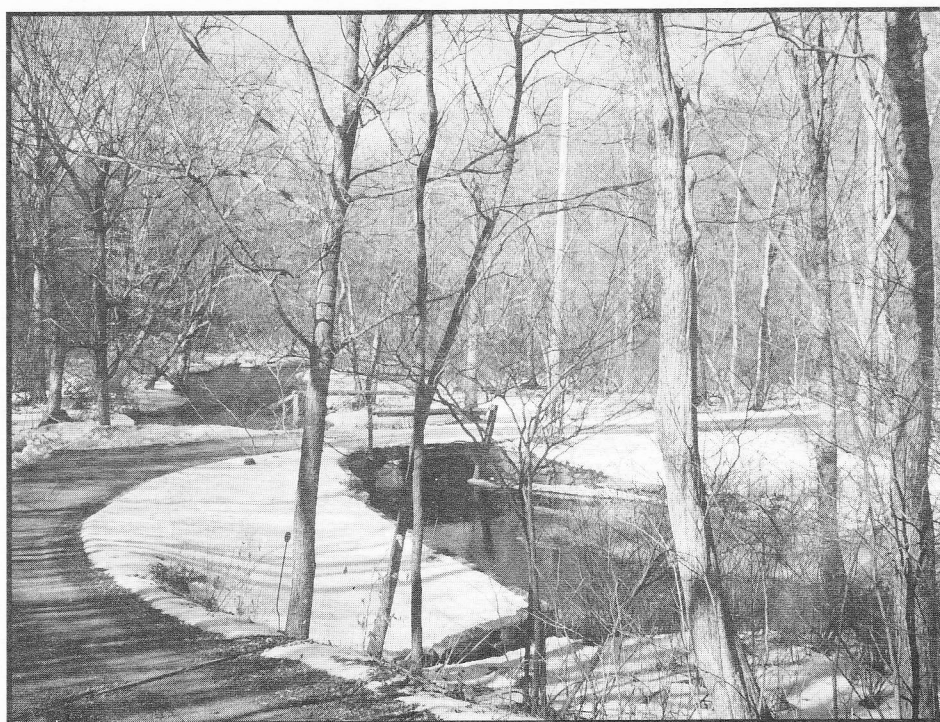
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"Here too abound the softening and refining touch of human industry and taste ...as substantial dwellings and pretty cottages, meeting houses and school houses ... most clearly demonstrate.

Bolles goes on to mention the Baptist Church (now Lyme Town Hall) and immersion baptisms in what probably was the Eight-mile River. But "Marvinsville" on the Eight-mile Rivers seems to be outside the Valley in his eyes, and "Hamburg" is referred to as a remoter region. Pleasant Valley appears to refer to the confluence of the two streams.

## OPEN HOUSE

The three donor families and The Nature Conservancy will hold an open house at the property May 19, See Calendar for details. 🌿



*Beaver Brook*

### CALENDAR OF EVENTS

**April 21:** Earth Day. Nature Tour of Pleasant Valley Preserve.

**Meet:** Lyme Town Hall Parking Lot

**Time:** 1 p.m.

**May 19:** Beaver Brook Open House Tour of new easement land. Sponsored by the Willauer, Woody and Schmitt Families and The Nature Conservancy

**Meet:** 55 Beaver Brook Road (there is a long driveway over the brook to the field and houses.) Sign 55: 1, 2, 3 on tree. Look for Land Trust Sign for event.

**Time:** 2 p.m.

**June 11:** Lyme Land Trust Annual Meeting

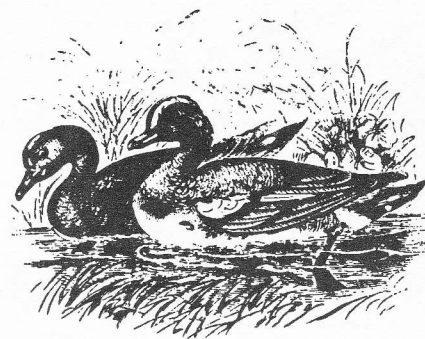
**Speaker:** Dr. Jullianna Barrett of The Nature Conservancy

**Topic:** The Eight Mile River Watershed Project of the Conservancy

**Meet:** Lyme Public Hall, Hamburg

**Time:** 7:30 p.m.

**Fall 1996:** Easement Workshop



### JOIN NOW

If you are not already a member of the Lyme Land Conservation Trust, won't you consider joining. Send your tax deductible contributions to Box 1002, Lyme CT. 06371.

Be sure to include name and address.

Senior .....\$5.00

Individual .... 10.00

Family ..... 20.00

Subscribing .....\$25.00

Contributing .....50.00

Sustaining .....100.00

Contributions to the Stewardship/ Acquisition Fund also welcome.

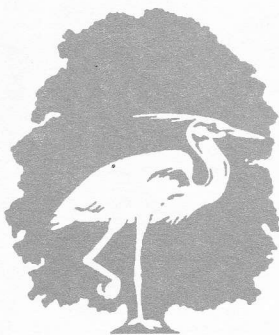
### *The Lyme Land Trust Bulletin*

is published several times a year by the Lyme Land Conservation Trust, Inc. as a matter of interest to its membership and to the general public in Lyme. Readers are invited to direct questions and suggestions to Joan Rich, Editor, at 434-7091.

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