



# Sources of Conservation Funding Workshop and Social

The Piedmont Environmental Council  
*PEC's Julian W. Scheer Fauquier Land Conservation Fund*  
August 6, 2024

Photo Credit: Hugh Kenny, PEC

# Tonight's message: The time is now..



There is currently **unprecedented state and federal funding** available for conservation and stewardship of rural lands.

If you have been thinking about conservation and stewardship options, **now is a good time to learn more and take action**

# Program for Today's Workshop

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- Welcome & Introductions
- Conservation Easements - *the easy listening version* Mike Kane, PEC
- Incredible Federal Funding Opportunities for Conservation Mike Kane, PEC
  - What is ACEP/ALE?
- Conservation Programs offered by Fauquier County Jim Hilleary,  
Fauquier County
- Land & Water Stewardship: Cost / Share Programs Melissa Allen,  
John Marshall SWCD
- Habitat Restoration: VGBI Incentive Program October Greenfield,  
PEC
- Panel Discussion - Audience Q&A

# Conservation Easements 101.5

(the easy listening edition)



# What Exactly Is A Conservation Easement?

81301 BK2061 PG0253

**DEED OF CONSERVATION EASEMENT**

THIS DEED made and entered into this 21<sup>st</sup> day of October, 2011, between  
**J. WINSTON PORTER and LINDA BAIRD PORTER**, Co-Trustees herein called the  
Grantors, **THE LAND TRUST OF VIRGINIA**, a Virginia not-for-profit corporation, herein  
called the Grantee, **JAMES P. CAMPBELL**, Sole-acting TRUSTEE, and **ROBERT L.  
JOHNSON**, Beneficiary.

WHEREAS, the Virginia Conservation Easement Act (§§ 10.1-1009-1016 3a, Code) provides for the conveyance of a conservation easement to a charitable corporation declared exempt from taxation pursuant to 26 U.S.C. § 501 (c)(3) when the primary purposes or powers of the corporation include: (i) retaining or protecting the natural or open-space values of real property; (ii) assuring the availability of real property for agricultural, forestal, recreational, or open-space use; (iii) promoting natural resources; (iv) maintaining or enhancing air or water quality; or (v) preserving the historic, architectural or archaeological aspects of real property; and

WHEREAS, the Virginia Conservation Easement Act further provides that such a charitable corporation may hold conservation easements which are perpetual in duration if it has had a principal office in the Commonwealth of Virginia for at least five years; and

WHEREAS, Grantee is a charitable corporation exempt from taxation pursuant to 26 U.S.C. § 501(c)(3) whose primary purposes include those described above and which has had a principal office in the Commonwealth of Virginia for at least five years; and

WHEREAS, the Property described below is: (i) adjacent to the historic village of Pigeon Springs in Loudoun County, Virginia; (ii) in the lower Catoptin Creek watershed, portions of which are designated a state scenic river; (iii) is a participant in Loudoun County's land use program, and (iv) is designated "A-3" under the Loudoun County zoning ordinances. Its conservation is consistent with Chapter 5 of the Loudoun County Revised General Plan which states that "The County will continue to encourage the use of open space

GRANTER'S ADDRESS:  
Post Office Box 262  
Lynchburg, Virginia 23718

LCM: 31 021-5-A-8-1  
31 021-5-A-8-1

CONSERVATION:  
§ 10.1-1010  
§ 10.1-1011

PREPARED BY:  
MAY & LEWIS (Char. 01)  
300 Riverside Street, S.E.  
Lynchburg, Virginia 23718

- A **voluntary land preservation agreement** negotiated between a landowner and an easement holder.
- Landowner is giving up a “sticks” (property rights) from the bundle of property rights, while retaining overall ownership of the land.
- In order to qualify for tax benefits, the **restrictions must last in perpetuity** – easements are forever.
- Easement must **advance a conservation purpose and result in public benefit**



# Who Accepts and Holds Conservation Easements?

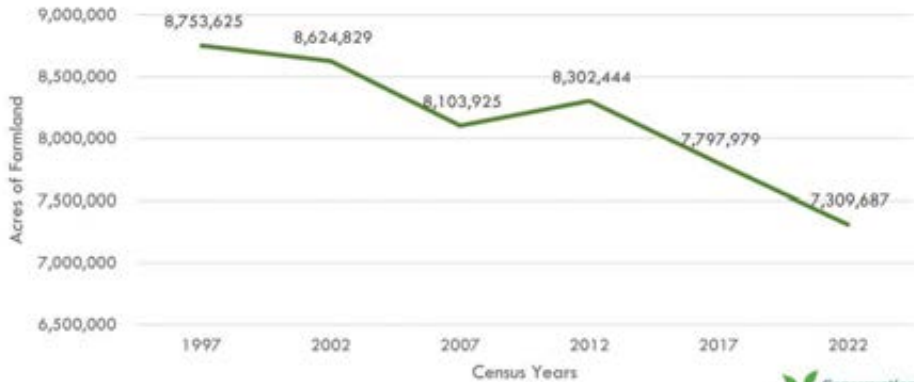
When a landowner places a conservation easement on a property, an organization needs to be on the other side of that transaction to be the holder (and steward) of the easement.



- State agencies (VOF, DOF, DHR)
- Local governments, like those with Purchase of Development Rights (PDR) Programs
- Non-profit organizations that meet state and federal requirements (e.g. PEC, Land Trust of Virginia, The Nature Conservancy).

# Census of Agriculture – Dramatic Loss of Farms and Farmland

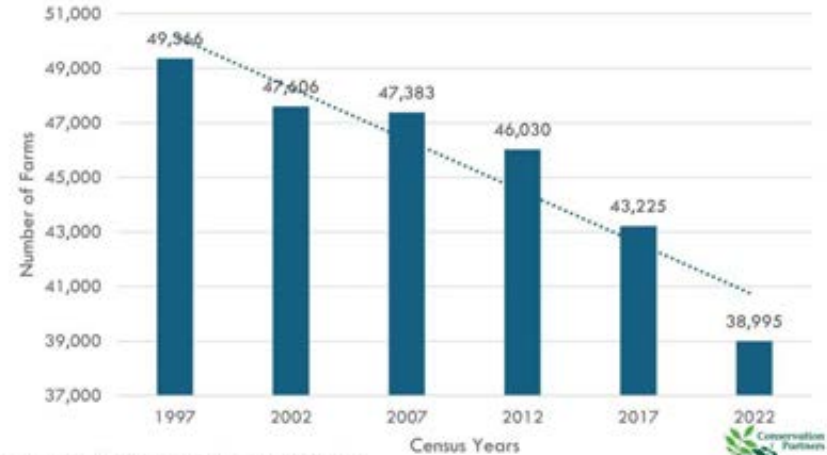
Farmland in Virginia 1997 - 2022



Source: USDA NASS Census of Agriculture 1997-2022



Number of Farms in Virginia 1997 - 2022



Source: USDA NASS Census of Agriculture 1997-2022



Between 2012 and 2022, Virginia lost over **7,000 farms** and almost **1 million acres** of farmland.



# Why do people give conservation easements?



Three primary reasons....

1. They love their land
2. They love their land
3. They love their land



# Value of Conservation Easement

\$1,500,000

Value of property prior to protecting land with a conservation easement

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- \$900,000

Value of property after protecting land with a conservation easement

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= \$600,000

Value of conservation easement  
(i.e. loss of property value due to easement)  
(potential value of tax deductible charitable gift)

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# “Run the Numbers on the Incentives” – Donation Example

## Assumptions:

|  |                  |
|--|------------------|
| Before Easement Value                        | \$1,500,000      |
| After Easement Value                         | \$ 900,000       |
| Easement Value                               | \$ 600,000 (40%) |
| Adjusted Gross Income--Married               | \$ 120,000/year  |
| State Tax Credit (40% of \$600,000 donation) | \$ 240,000       |

## Potential Value of Incentives

|  |                   |
|--|-------------------|
| Fed Income Tax Savings (over 6 yrs):         | \$ 66,570         |
| VA Income Tax Savings from Fed Deduction:    | \$ 20,700         |
| Income Tax Savings using LPTC                | \$ 69,000         |
| Sale of remaining \$171,000 in credits @ .90 | \$ 153,900        |
| --less VA Transfer Fee                       | <u>\$ 8,550</u>   |
| <b>Total</b>                                 | <b>\$ 301,620</b> |



What is an ALE?



# What is the Agricultural Land Easement (ALE) Program?

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- Program that offered through the USDA's **Natural Resources Conservation Service (NRCS)** that purchases conservation easements.
- ALE is **designed to protect working farms**.
- NRCS partners with local land trusts to purchase ALE with federal funds for **50% of conservation easement value**.
- Competitive federal applications based on farmland having **prime soils**.

# Agricultural Land Easement Budget

|                                  |            |
|----------------------------------|------------|
| NRCS (ALE Funding)               | 50%        |
| Landowner Donated Value*         | <u>50%</u> |
| Total (Appraised) Easement Value | 100%       |

\*Under a bargain sale, the Landowner may be eligible to apply for Virginia Land Preservation Tax Credits equal to 40% of the donated value.



## ALE & FRPP Projects and Acres Conserved in Chesapeake Bay States (1997-2023)

Historically, there has been low utilization in Virginia of ALE and its predecessor, the Farm and Ranch Protection Program (FRPP).

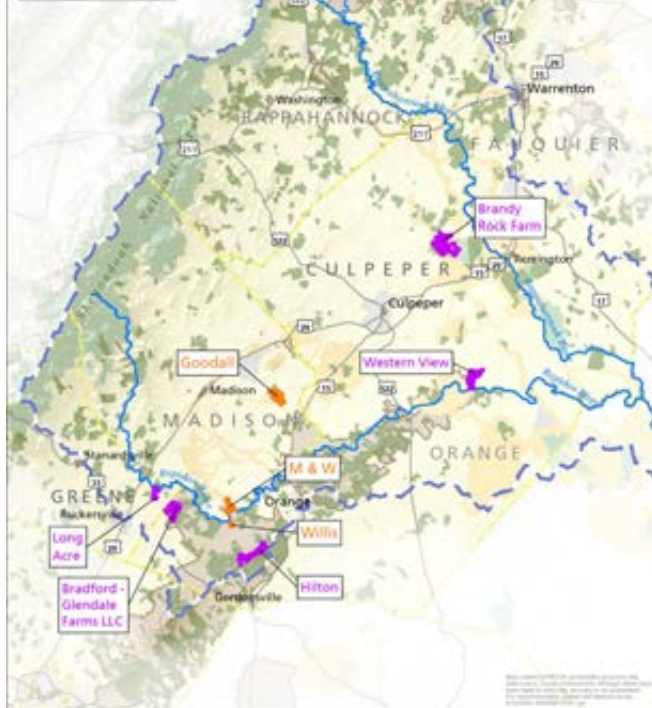
| Ches Bay State Rank | State           | Number of Farms | Percent of FRPP/ALE Projects | Farmland Acres Conserved | Percent of FRPP/ALE Acres |
|---------------------|-----------------|-----------------|------------------------------|--------------------------|---------------------------|
| 1                   | Pennsylvania    | 493             | 33%                          | 63,995                   | 30%                       |
| 2                   | Delaware        | 397             | 26%                          | 51,648                   | 24%                       |
| 3                   | Maryland        | 236             | 16%                          | 32,826                   | 15%                       |
| 4                   | New York        | 172             | 11%                          | 31,969                   | 15%                       |
| 5                   | West Virginia   | 157             | 10%                          | 21,333                   | 10%                       |
| 6                   | <i>Virginia</i> | 61              | 4%                           | 11,897                   | 6%                        |
| <b>Totals</b>       |                 | <b>1,516</b>    | <b>100%</b>                  | <b>213,668</b>           | <b>100%</b>               |

Virginia ranks last in the use of ALE and/or FRPP among states in the Chesapeake Bay Watershed

Source: <https://www.farmers.gov/data/easements/download>

**Volgenau Foundation  
Rappahannock Rapidan  
Conservation Initiative**

Conserve and restore working farmland, historic  
battleground lands, native habitat and water resources



# Project Highlight: Farmland Protection

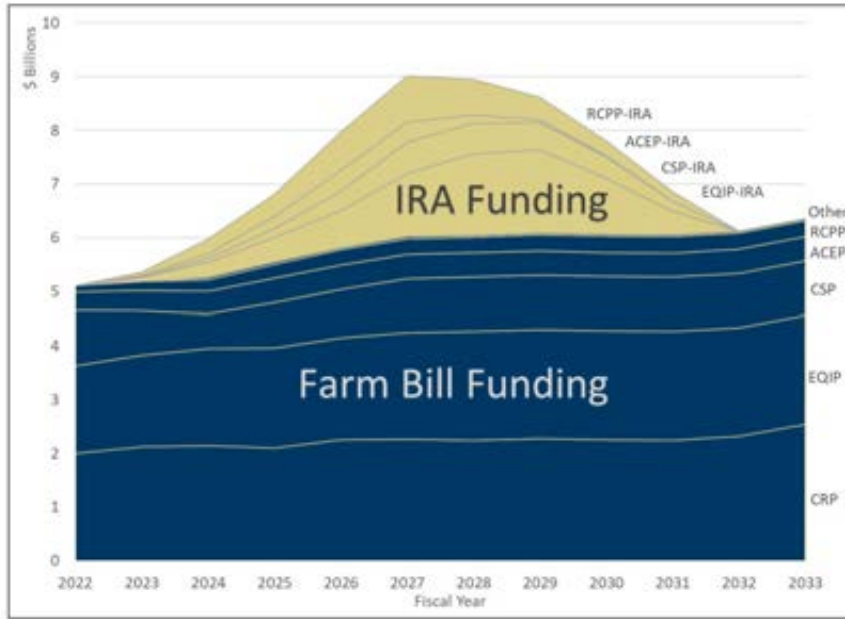
| PEC Agricultural Land Easement Projects - In Progress |              |                |              |                    |                    |                  |                    |                    |                     |
|---|--------------|----------------|--------------|--------------------|--------------------|------------------|--------------------|--------------------|---------------------|
| Year  | County       | Farm           | Acreage      | Funding            |                    |                  | Purchase Price     | Landowner Donation | Easement Value      |
|   |              |                |              | Federal            | State              | Private          |                    |                    |                     |
| 2022  | Orange       | Hilton Farm    | 360          | \$475,000          | \$237,500          | \$0              | \$712,500          | \$237,500          | \$950,000           |
| 2022  | Culpeper     | Western View   | 700          | \$1,000,000        | \$500,000          | \$0              | \$1,500,000        | \$500,000          | \$2,000,000         |
| 2022  | Rappahannock | Thornhill      | 160          | \$0                | \$160,000          | \$0              | \$160,000          | \$490,500          | \$650,500           |
| 2023  | Orange       | Glendale Farm  | 283          | \$580,000          | \$310,000          | \$0              | \$890,000          | \$296,667          | \$1,186,667         |
| 2023  | Orange       | Bradford       | 262          | \$550,000          | \$295,000          | \$0              | \$845,000          | \$281,667          | \$1,126,667         |
| 2023  | Greene       | Long Acre Farm | 229          | \$485,000          | \$282,500          | \$0              | \$767,500          | \$255,833          | \$1,023,333         |
| 2024  | Culpeper     | Brandy Rock    | 879          | \$1,225,000        | \$0                | \$0              | \$1,225,000        | \$1,225,000        | \$2,450,000         |
| <b>Sub - Total</b>                                    |              |                | <b>2,873</b> | <b>\$4,315,000</b> | <b>\$1,785,000</b> | <b>\$0</b>       | <b>\$6,100,000</b> | <b>\$3,287,167</b> | <b>\$9,387,167</b>  |
| PEC Completed ALE Projects (2018-2024)                |              |                |              |                    |                    |                  |                    |                    |                     |
| Year  | County       | Farm           | Acreage      | Funding            |                    |                  | Purchase Price     | Landowner Donation | Easement Value      |
|   |              |                |              | Federal            | State              | Private          |                    |                    |                     |
| 2018  | Orange       | Glenmary Farm  | 382          | \$550,000          | \$250,000          | \$25,000         | \$825,000          | \$275,000          | \$1,100,000         |
| 2020  | Madison      | M & W Farm     | 373          | \$700,000          | \$190,000          | \$0              | \$890,000          | \$510,000          | \$1,400,000         |
| 2020  | Orange       | Willis         | 74           | \$275,000          | \$125,000          | \$0              | \$400,000          | \$150,000          | \$550,000           |
| 2020  | Madison      | Goodall Farm   | 596          | \$1,100,000        | \$106,875          | \$125,000        | \$1,331,875        | \$868,125          | \$2,200,000         |
| <b>Sub - Total (2024)</b>                             |              |                | <b>1,425</b> | <b>\$2,625,000</b> | <b>\$671,875</b>   | <b>\$150,000</b> | <b>\$3,446,875</b> | <b>\$1,803,125</b> | <b>\$5,250,000</b>  |
| <b>Totals</b>   |              |                | <b>4,298</b> | <b>\$6,940,000</b> | <b>\$2,456,875</b> | <b>\$150,000</b> | <b>\$9,546,875</b> | <b>\$5,090,292</b> | <b>\$14,637,167</b> |

Secured \$9.4M in federal and state funds to conserve 4,300 acres of working farmland

# The Inflation Reduction Act (IRA)...

## Creating Unprecedented Funding for ACEP-ALE and RCPP

Figure 2. Conservation Program Funding: Farm Bill and Inflation Reduction Act  
FY2022-FY2033



Source: CRS using Congressional Budget Office (CBO), "CBO's February 2023 Baseline from Farm Programs," February 2023.

- IRA extends base funding for ACEP-ALE at **\$450 Million per year through 2031**
- IRA will provide **\$1.4 Billion** for ACEP-ALE between 2022 and 2031 over and above the base funding available for FY 2023
- So...can we direct more of these \$\$ to farmers / producers in VA to help conserve high quality farmland?

# Benefits of Conservation to the Landowner



- o Permanently protect the land you love
- o Access some of the land's cash value now without having to sell any land fee simple
- o Retain the right to own, farm and sell the property
- o Assist in estate planning
- o Ability to take direct action that can benefit the entire community



# To learn more about conservation easement options...



**Protecting  
Your Land with  
a Conservation  
Easement**

 Piedmont  
Environmental  
Council

[pecva.org/conservation](http://pecva.org/conservation)  
540.347.2334  
[easementinfo@pecva.org](mailto:easementinfo@pecva.org)

## Contact PEC!!

- o Contact us at [easementinfo@pecva.org](mailto:easementinfo@pecva.org) or 540.347.2334
- o Check out the PEC website at [pecva.org/our-work/land-conservation](http://pecva.org/our-work/land-conservation)



DCR  
2020  
Clean Water  
Farm Award  
DCR

Virginia  
CENTURY FARM

## Key Focus Areas

### Conserving and Restoring the Piedmont's Lands and Waters

- Accelerating land conservation
- Enhancing wildlife habitat
- Ensuring clean water
- Expanding public access

### Creating Stronger, More Sustainable Communities

- Planning for now and the future
- Fighting bad projects and incompatible land uses
- Improving livability and strengthening communities

### Shaping and Advancing Virginia's Clean Energy Future

- Supporting a smarter, cleaner, more distributed energy system
- Developing staff expertise and capacity to engage and collaborate

### Setting an Example Through Land Ownership

- Protecting and enhancing natural, cultural and historic resources
- Showcasing sustainable land management practices