

# ***California Rangeland Trust***

## **Bridging the Urban-Rural Divide with Conservation Easements: Success Stories from California**

**Quivira Conference**

**Albuquerque, New Mexico**

**Holly Foster, Board Member**

# *California Rangeland Trust*

To conserve the open space, natural habitats and stewardship provided by California's ranches



# *Conserving California's Rangeland*

- Founded in 1998 by members of the California Cattlemen's Association (CCA)
- All board members are ranchers and members of CCA
- Projects tailored to balance business and the environment.
- Leader in easement stewardship and management.
- Total easement acreage: 172,895
- Total easement projects: 16
- Applications pending: 52



# *The Cattle Industry in California*

- Largest ag economy in the nation
- Cattle and calves rank sixth in gross value of production in state commodity production
- \$1.56 billion

Source: USDA-NASS 2003



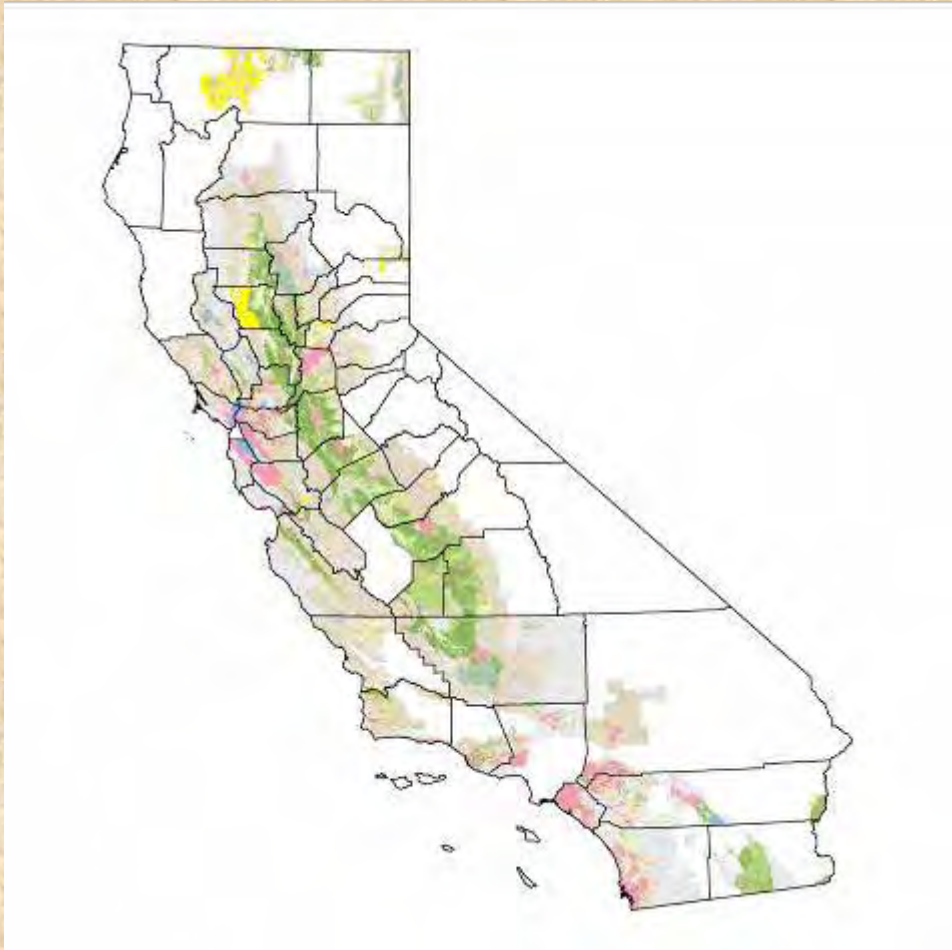
# *Challenges for California Ranchers*

- Estate tax—a universal threat
- Loss of other available preservation tools—California Land Conservation Act of 1965, commonly referred to as the Williamson Act
- Urban sprawl—35.9 million people in the Golden State and the number will grow by an estimated 15 million by 2025

Source: July 1, 2004 Annual Population Estimate, U.S. Census Bureau

# *Grazing Land Converted to other uses*

## *1990-2000*



1,116,539 acres of grazing land converted to other uses within the last ten years

76,285 acres converted to development

Source: Farmland Mapping and Monitoring, California Department of Conservation (2003)

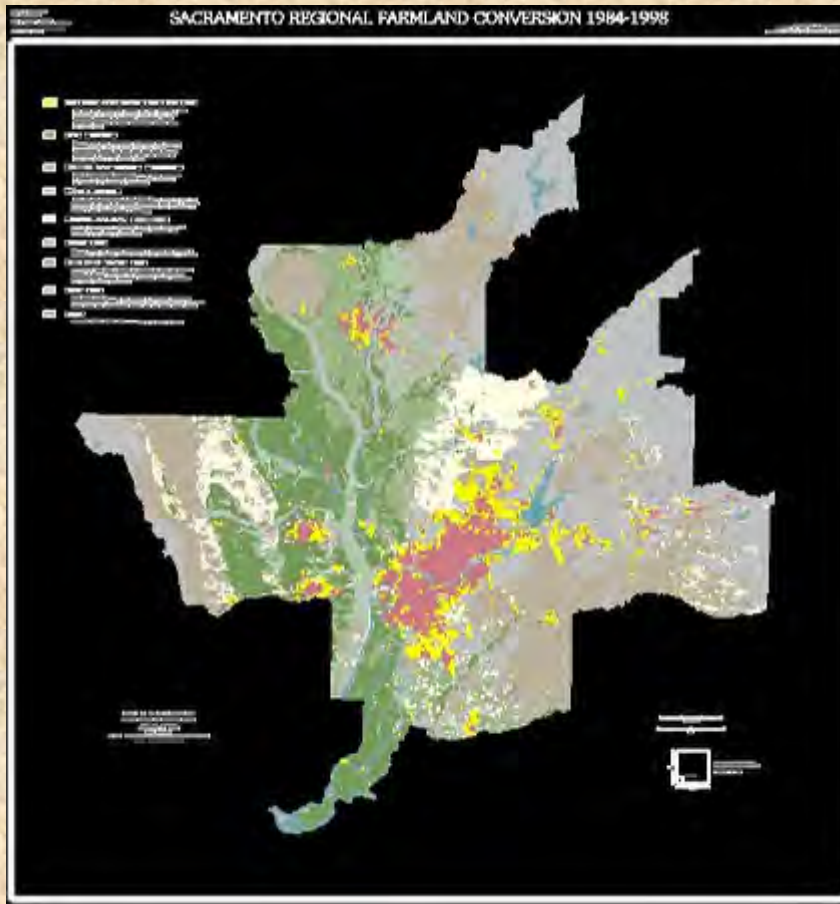
# *A Rancher's Decision*

“A single ranch-owner's decision may spell the fate of many thousands of acres. Landowner decisions affect more than their own property, as nearby properties are also influenced through the fragmentation of land use, weakening of agricultural infrastructure, changing land values and the creation of new growth nodes in previously undeveloped areas” (Johnson 1998).

# *New Neighbors*

- The majority of ranches in California are now less than 5 miles from a subdivision, and the average size of rangeland properties is shrinking (Huntsinger and Fortman 1990).
- Nearly 80% of the land used for houses constructed between 1994 and 1997 was in non-metropolitan areas (USDA—Economic Research Service)

# Urbanization in the Sacramento Region



Sacramento, Yolo, Sutter,  
Placer and El Dorado Counties

Projected to grow by  
approximately 46% by 2020

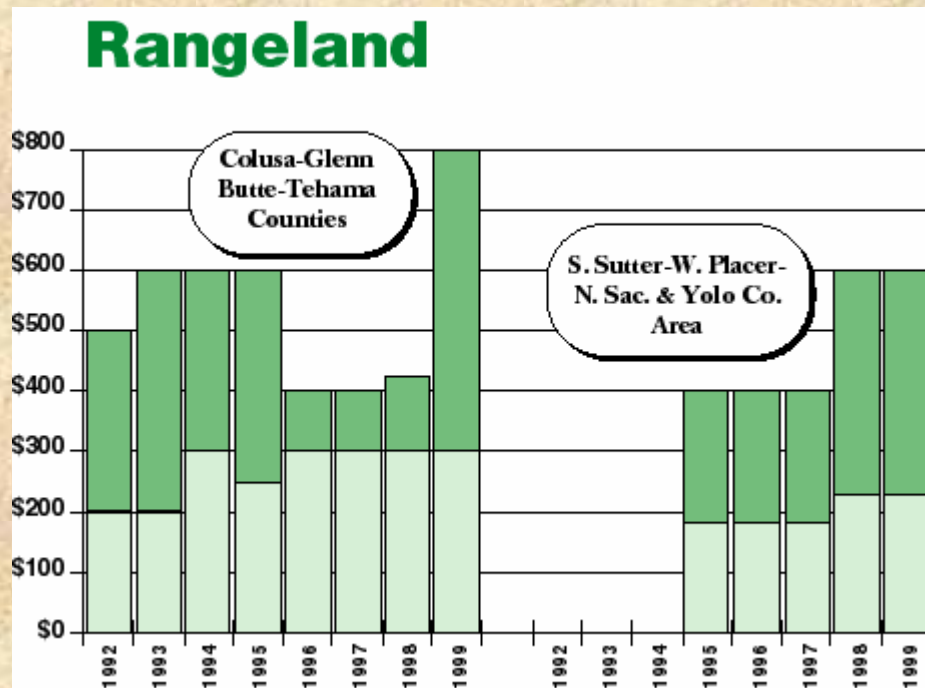
Yellow—new urban areas  
1986-2000

Green—important farmland

Pale yellow and beige—dry-  
farmed and rangeland

Source: Farmland Mapping and Monitoring Program

# Land Values in California



Source: California Chapter of American Society of Farm Managers and Rural Appraisers

Real estate values often do not reflect the agricultural production values.

Example: Foothill woodlands may require 10-12 acres per AUM

Some larger ranch parcels have been selling for \$1,500 to \$3,000 per acre, often higher, for development

Where is the better return on investment?

# *The Economics of Land Ownership*

- Ranching is unprofitable when the opportunity cost of investment is considered—the only economic justification for ranching was to hold land for increased real estate value (Hargrave 1993)

# *Beyond the Dollar*

- “Ranch Fundamentalism”
- The inherent benefits of ranching (Bartlett et al. 1989, Smith and Martin 1972, Martin and Jeffries 1966)
- “A love of the land” (Smith and Martin 1972)
- The next generation

# *The Importance of Rangeland for Habitat*

As private ranchlands provide habitat for approximately 70 percent of Western wildlife, their preservation is essential for the region's natural resource values.

There are approximately 20 million acres of privately owned rangeland in California.

Unfortunately, many of the West's large-scale ranches now face fragmentation into five to twenty-acre ranchettes. By dividing the land into small parcels owned by multiple owners, ranchette development increases human populations within the area, causes habitat fragmentation and disrupts wildlife migration corridors.

Source: Rockwood Research, January 1996

# *Houses and Habitat*

Land use conversion—from open space to low-density residential or exurban development has more impact on wildlife because of its dispersed nature

“Urban sprawl and outdoor recreation are the second and fourth leading causes of the decline in listed and threatened species” (USDA—Natural Resources Conservation Service Wildlife Habitat Management Institute and Colorado State University 2001)

Native plant and faunal biodiversity was better maintained on ranches and protected areas than on exurban developments (USDA—Natural Resources Conservation Service Wildlife Habitat Management Institute and Colorado State University 2001)

# *Economic Returns and Agricultural Lands*

- Landowners do not get paid for ecosystem values or cultural/social values.
- Farmers and ranchers are typically “price takers”—they can’t pass costs along to the consumer.
- Commodity prices are set nationally or globally, while input costs are set locally.

# *A Public Benefit*

- Viewsheds
- Habitat values
- Native plant and wildflower populations
- Oak woodlands
- Historical and archaeological site preservation
- Watersheds
- Aquifer recharge zones
- Fire hazard reduction

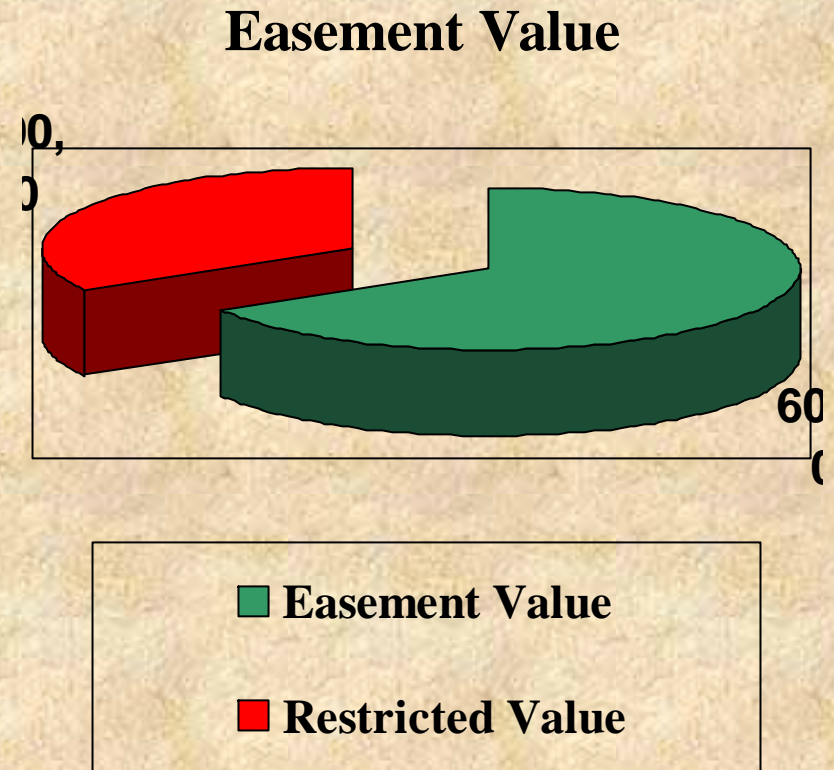


# *Agricultural Conservation Easements*

- Conservation Easements are generally perpetual deed restrictions that prohibit certain activities (such as subdivision or development).
- Property rights are like a bundle of sticks - an easement simply separates one or more of these sticks.
- Easement value is driven by real estate values.
- Easement is held by land trust or agency.

# Easement Value

- Easement value is the difference between highest and best use value and restricted value.
- For agricultural easements, restricted value is generally the value justified by agricultural production.



# *Easement Value*

- Easement value generally 30% to 60% of the total value but may vary widely depending on use and geographic area.
- Landowners can realize easement value through tax credits, estate tax reductions and credits, cash, or through a combination of these elements.

# *Agricultural Conservation Easements*

- Easements on working landscapes require special considerations to balance permanent deed restrictions with changing business conditions.
  - Easements are effective in protecting land from fragmentation.
  - Easements are not effective tools for addressing day-to-day farm/ranch management.

# *Landowner Questions about Conservation Easements*

- Do I have to provide public access?
- Will the land trust that buys my easement sell it to a government agency?
- How involved will the land trust be in the day-to-day management of my farm or ranch?
- How will an easement affect my ability to sell my property?
- How much is the easement worth?
- What are the tax consequences of an easement?

# *Transaction Costs/Timeframe*

- Landowners generally incur the following costs associated with conveying a conservation easement:
  - Appraisal (\$5,000 to \$12,000)
  - Baseline documentation (\$2,000 to \$10,000)
  - Legal/Financial Advice – A MUST!!!! (cost depends upon complexity)
  - Monitoring Endowment
- Costs may be covered by land trust in some cases, or recovered through fundraising.
- Easements generally take 6 to 18 months to complete.

# *California Agricultural Conservation Easement Funding Sources*

- California Farmland Conservancy Program
- Farmland Protection Program
- Great Valley Center
- Private Foundations
- Wildlife Conservation Board
- CalTrans
- CALFED Bay-Delta Program
- Bureau of Reclamation
- Forest Legacy Program
- Local Funding Sources
- Tax Deductions & Credits

# *Funding in other states and counties*

- Lottery funds (Colorado)
- Sales tax (Sonoma County)
- Property tax (Santa Clara County)
- Agricultural mitigation policies and development fees (Sacramento and Yolo)

# *How do we keep people in agriculture on the land?*

- Profitability is the key
  - create revenue sources from other products (e.g., recreation, open space, etc.)
  - provide incentives for stewardship
- Easements are just one of the tools available

# *A Shift in Thought*

- More public support for privately managed land preservation with multiple uses
- Prop 40
- Increased environmental incentives through the Farm Bill
- Oak Woodlands Conservation Act of 2001

# *Ranching's Future is the Priority*

To date, the Rangeland Trust has closed easements on 172,895 acres and more than 90 ranching families representing an additional 500,000 acres have submitted applications to permanently protect their ranches from development.

*"We are proud to be part of this effort to preserve one of the most beautiful valleys in the world," said Jack Sparrowk, co-owner of Bar One Ranch. "This easement will help protect rangelands, wetlands, and important habitat and it will also keep ranching at the forefront of Sierra Valley's economy."*

*—Jack Sparrowk, rancher*

*"Private easements are a practical way to promote open space and conserve habitat while sustaining agriculture for future generations. It is critical to preserve agriculture in rural counties because of its great economic importance."*

*—Mark Lacey, rancher*



# Project Portfolio



Quivira Conference  
January 14, 2006

# *Bar One Ranch*

## **Acreage**

13,100

## **Location**

Plumas and Sierra Counties

## **Partners**

Sierra Valley Ranch/Bar One  
Cattle Co.

Nature Conservancy

Sierra Business Council

California Rangeland Trust

## **Funders**

Conserving California Landscapes  
Initiative (CCLI) of the Packard  
Foundation

Wildlife Conservation Board

## **Highlights**

Pacific Flyway; bird nesting and  
native plant species diversity



# *DS Ranch*

## **Acreage**

7,947

## **Location**

Plumas County

## **Partners**

The Nature Conservancy

Sierra Business Council

## **Funders**

Wildlife Conservation Board

## **Highlights**

Migratory, foraging and breeding  
bird habitat, high native plant  
species diversity



# *Genasci Ranch*



## **Acreage**

500

## **Location**

Sierra County

## **Partners**

California Rangeland Trust

Sierra Business Council

## **Funders**

Packard Foundation

Wildlife Conservation Board

## **Highlights:**

Located in the largest alpine valley in North America with habitat for numerous species of waterfowl.

# Yolo Land & Cattle Co.

## Acreage

6,983

## Location

Yolo County

## Partners

Yolo Land & Cattle Co.

California Rangeland Trust

## Funders

Wildlife Conservation Board

Great Valley Center

## Highlights

Rapidly developing region,  
family ranching operation  
and habitat for a diversity  
of plant and animal  
species.



# *Bear Valley*



## **Acreage**

12,893

## **Location**

Colusa County

## **Partners**

Gabrielsen & Co.

American Land Conservancy

California Rangeland Trust

## **Funders**

Wildlife Conservation Board

Cal Trans

The Packard Foundation

## **Highlights**

Premier wildlife and scenic view sheds

# *East Sheridan Vernal Pool Preserve*



## **Acreage**

982

## **Location**

Placer County

## **Partners**

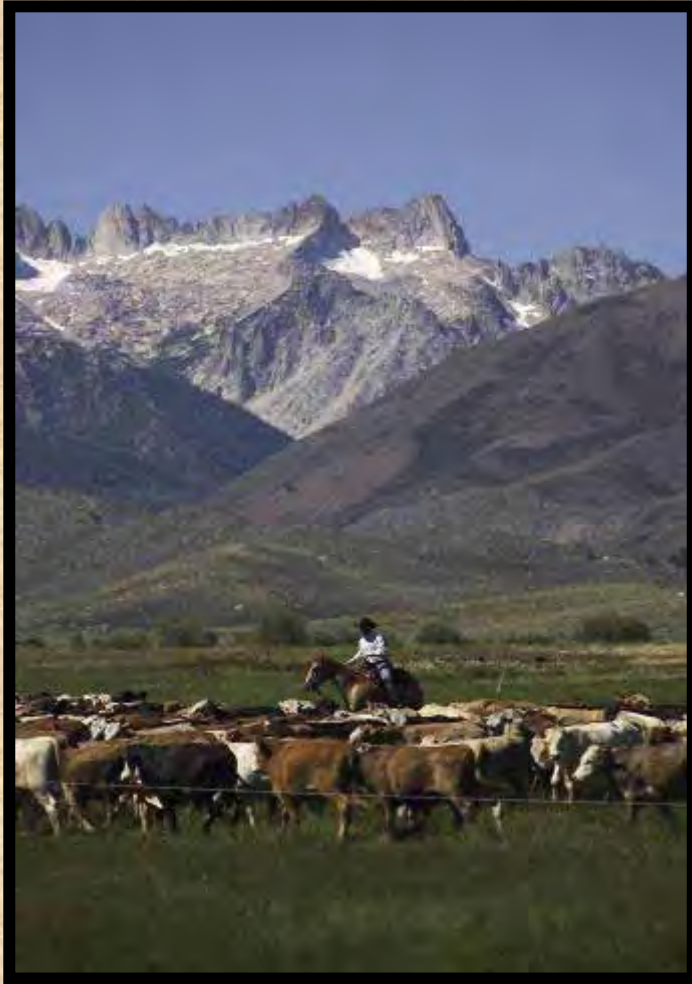
California Rangeland Trust

Wildlands Inc.

## **Highlights:**

Vernal pool and grassland habitat;  
surrounded by rapidly  
growing community

# *Centennial Livestock*



## **Acreage**

6,350

## **Location**

Mono County

## **Partners**

Centennial Livestock  
American Land Conservancy  
California Rangeland Trust

## **Funders**

Wildlife Conservation Board  
Department of Fish and Game  
Department of Transportation

## **Highlight**

Eastern Sierra treasure rich in  
riparian and scenic resources

# *Koopmann Ranch*



Breeding ponds for threatened and/or endangered species

## **Acreage**

31

## **Location**

Alameda County

## **Partners**

Koopmann Ranches

California Department of Fish and Game

California Rangeland Trust

## **Funders**

Mitigation Funds

## **Acreage**

107

## **Location**

Alameda County

## **Partners**

Koopmann Ranches

California Rangeland Trust

City of Pleasanton

## **Funders**

Mitigation Funds

# Cunningham Ranches



## **Acreage**

2,067

## **Location**

Merced County

## **Partners**

The Nature Conservancy  
California Rangeland Trust

## **Funders**

Wildlife Conservation Board

## **Highlights**

Vernal pool habitat for fairy shrimp and other vernal pool crustaceans; historically rich.

# *Nelson Ranch*

## **Acreage**

3,861

## **Location**

Merced and Mariposa  
County

## **Partners**

The Nature Conservancy  
California Rangeland Trust

## **Funders**

Wildlife Conservation Board  
U.S. Bureau of Reclamation

## **Highlights**

Vernal pool habitat for fairy  
shrimp and other vernal  
pool crustaceans just  
minutes from burgeoning  
development



# *JK Ranch*

## **Acreage**

2,653

## **Location**

Mendocino County

## **Partners**

California Rangeland Trust negotiated this easement

## **Funders**

Landowners donated the easement

## **Highlights**

Model for maximizing agricultural sustainability, adjacent to rapidly growing communities



# *Kester Ranches*

## **Acreage**

10,581

## **Location**

Monterey and Fresno County

## **Partners**

California Rangeland Trust  
Kester Ranches

## **Funders**

Wildlife Conservation Board  
David and Lucile Packard Foundation  
National Fish and Wildlife Foundation

## **Highlights**

Keeping the ranch in the family;  
protecting critical riparian habitat



# Successes



V 6 Ranch project in Monterey and Fresno Counties protected 17,000 acres of rangeland in cooperation with the Trust for Public Lands

“Our goal at the V6 ranch is to keep this land economically productive and open, and to manage this land for the good of all. We want to cultivate natural beauty by slowing down water and using the teachings of holistic management to achieve this goal.”—Jack Varian, rancher

# V6 Ranch



## **Acreage**

16,683

## **Location**

Monterey County

## **Partners**

California Rangeland Trust

Varian Ranch

Trust for Public Land

## **Funders**

Wildlife Conservation Board

California Department of  
Transportation

The Packard Foundation

## **Highlights**

Oak woodlands and other  
natural habitats; ranch  
tours, etc.

# Hearst Ranch



## **Acreage**

80,000

## **Location**

San Luis Obispo County

## **Partners**

Hearst Corporation

American Land Conservancy

California Rangeland Trust

## **Funders**

Wildlife Conservation Board

## **Highlights**

Pacific Coast Highway view shed,  
resource values beyond  
measure and superior ranch  
management practices

# *Rancho Santa Margarita*

## **Acreage**

333

## **Location**

San Luis Obispo

## **Partners**

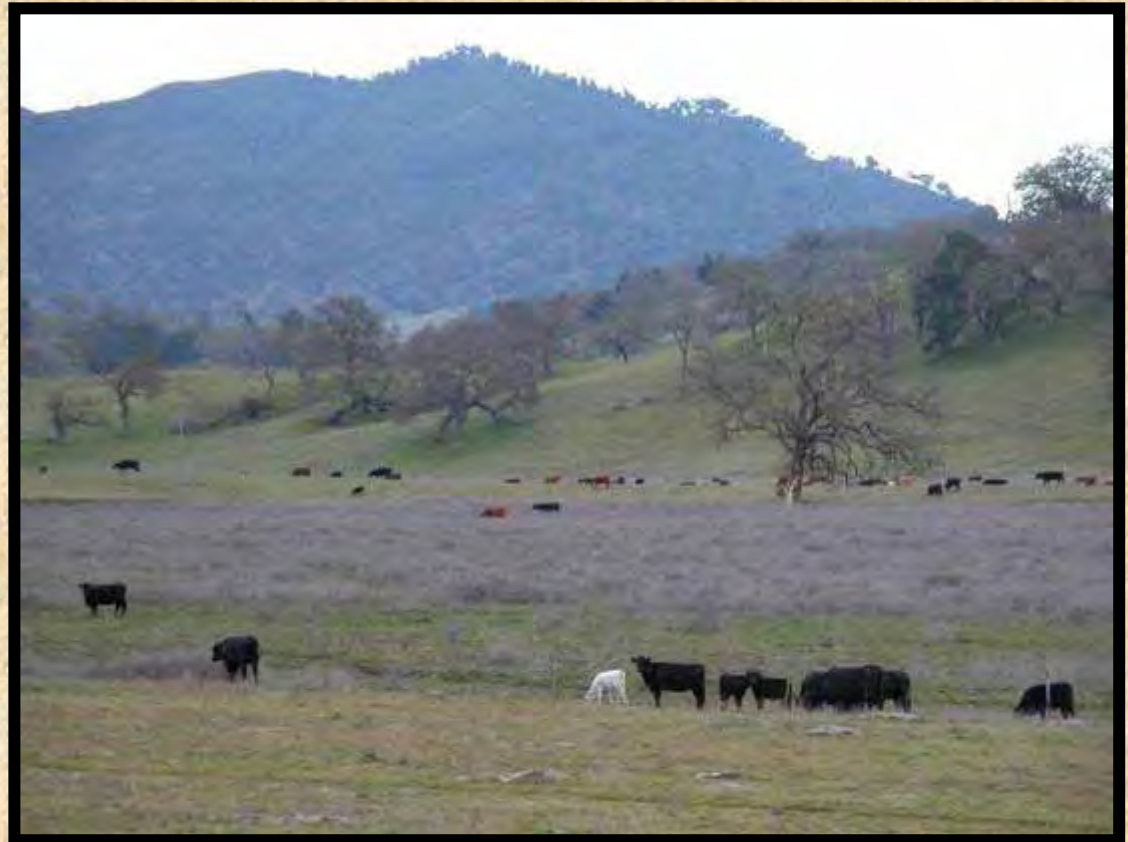
California Rangeland Trust  
negotiated this easement

## **Funders**

The landowners donated this  
easement.

## **Highlights**

Community jewel, protects  
open space and  
agricultural heritage



# *Tejon Ranch*

## **Acreage**

1,122

## **Location**

Kern County

## **Partners**

California Rangeland Trust  
negotiated this easement  
unaided

## **Funders**

The landowners donated this  
easement

## **Highlights**

Grass stubble provides  
habitat San Joaquin kit  
fox and blunt-nosed  
leopard lizard.



# *Touch the Earth*



## **Acreage**

418

## **Location**

Calaveras County

## **Partners**

California Rangeland Trust  
negotiated this easement  
unaided

## **Funders**

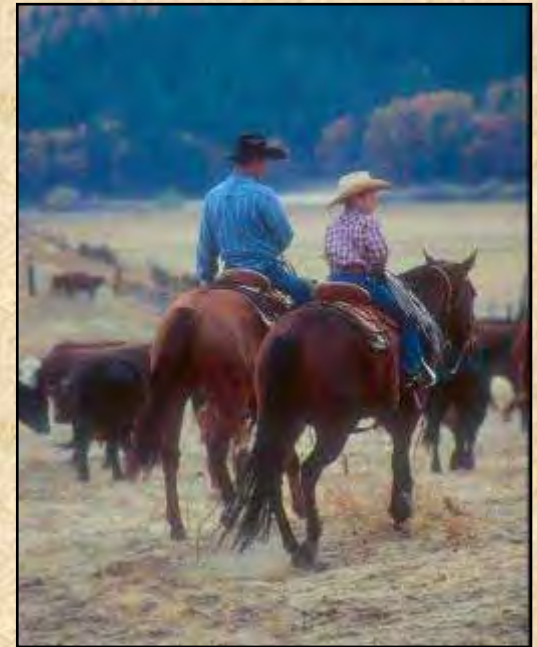
The landowners donated this  
easement

## **Highlights**

Rich in resources,  
surrounded by rapid  
development

# *Future*

- Educate urban and rural populations.
- Balance growth with conservation.
- Ensure easements continue to work for agricultural operators.
- Critical mass; connectivity.
- Stewardship and management innovation through technology.



# *California Rangeland Trust*

1221 H. Street

Sacramento, CA 95814

916-444-2096 phone

916-444-2094 fax

[www.rangelandtrust.org](http://www.rangelandtrust.org)