

Lake County Riverside Property Owners Association Annual Meeting

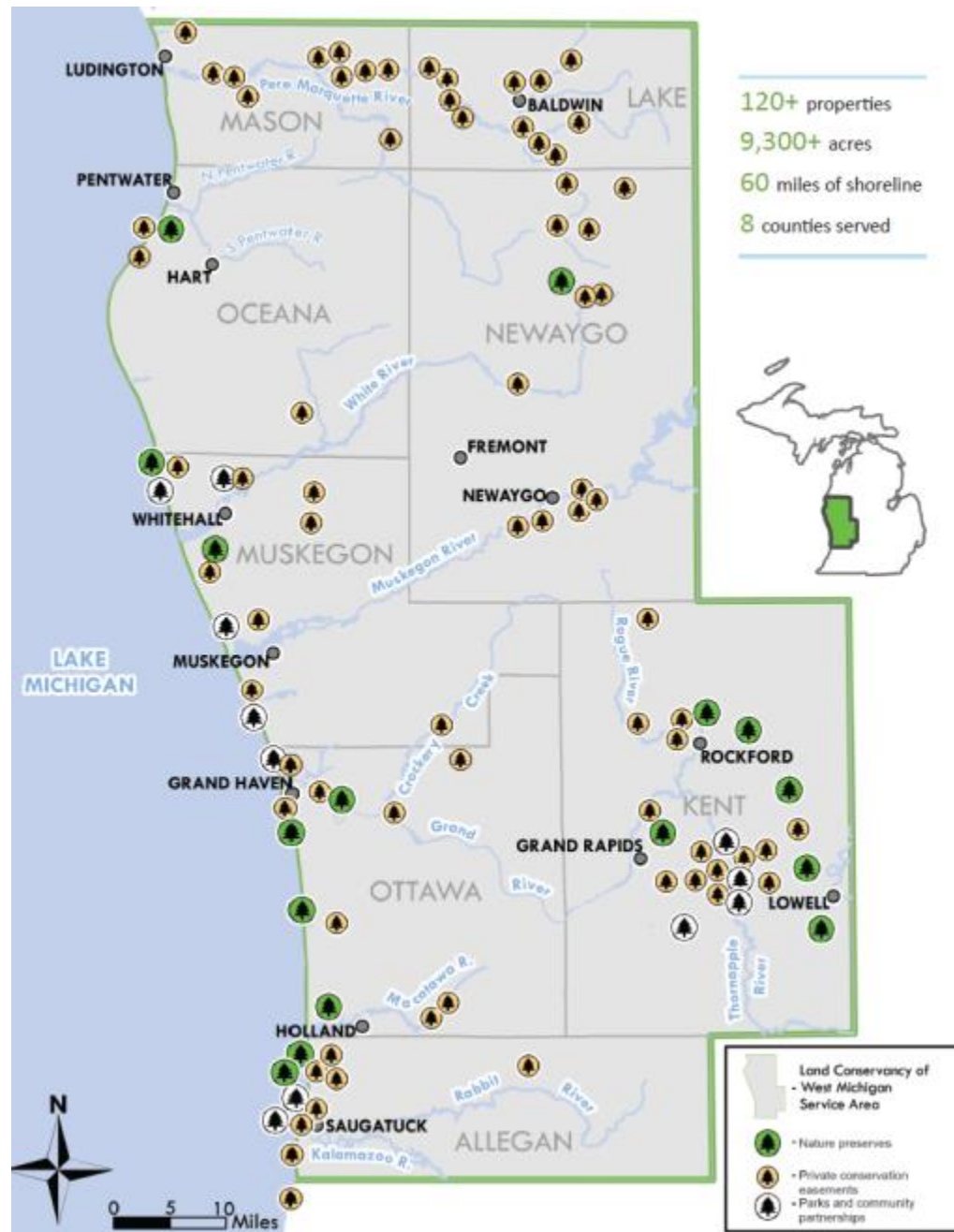
July 16, 2016



Keeping nature nearby.

Land Conservancy of West Michigan

- Non-profit 501(c)3; independent; accredited via LTA
- Est. 1976; professionally staffed since 1993
- 8 county service area with over 9,600 acres of protections
- Funding: 60% private donations, 40% grant funded
- Partners with many groups including local families, CRA, DEQ, Ducks Unlimited, TNC



Land Preservation Tools

1. Nature Preserves
2. Community Partnerships
3. Conservation Easements

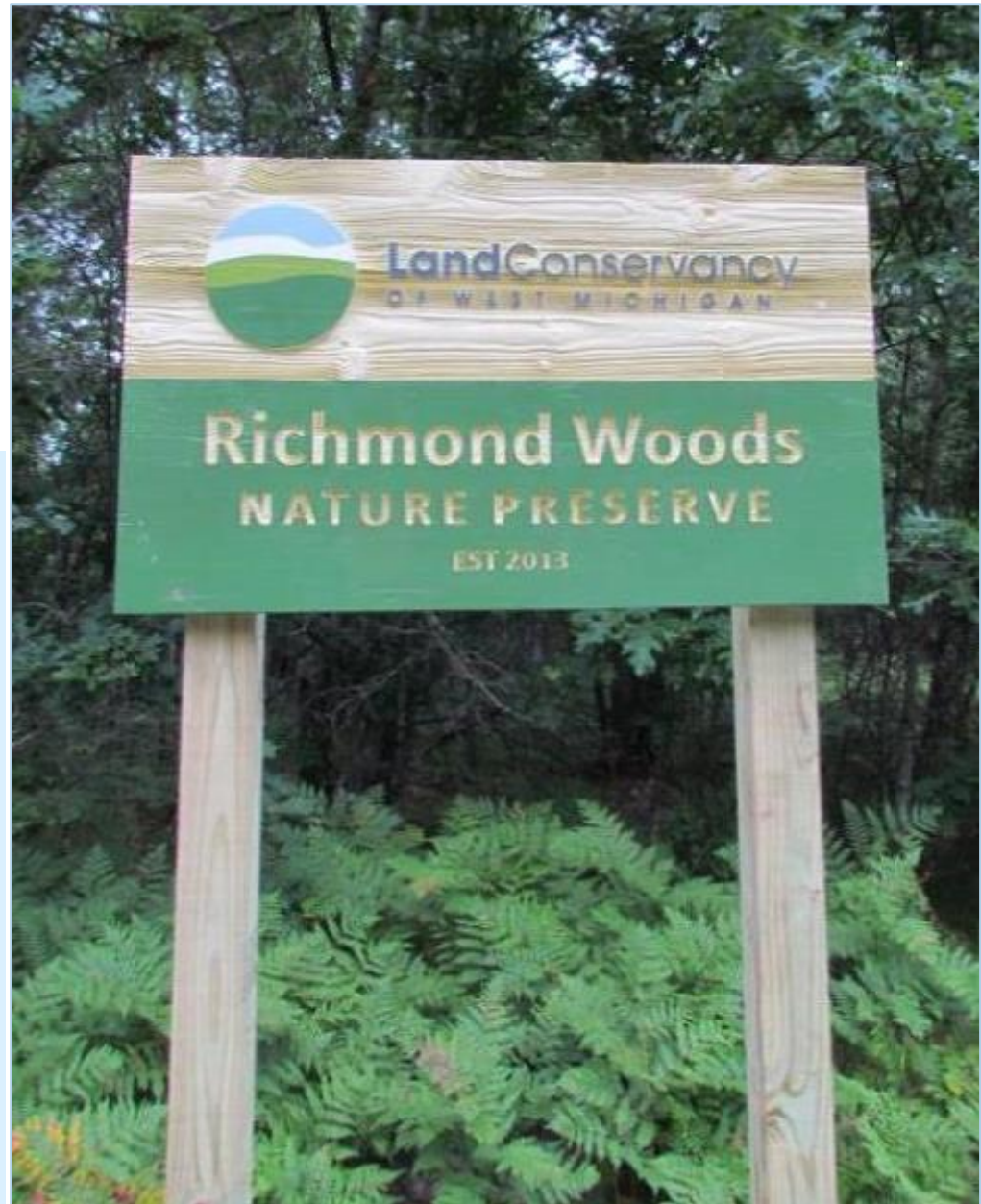


The federally-endangered Karner Blue Butterfly



Nature Preserves

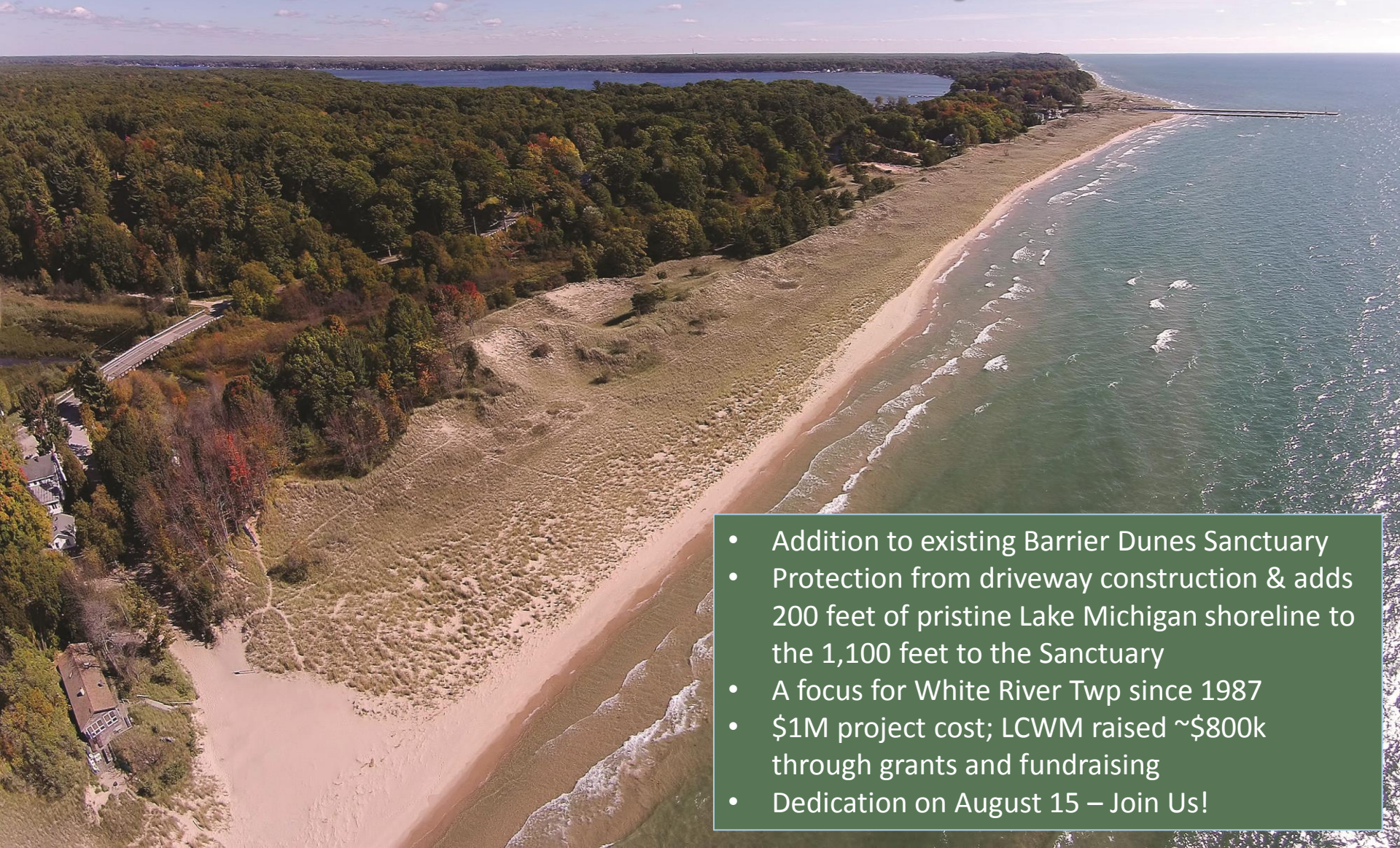
- Full fee ownership by Land Conservancy.
- Open to the public for nature study and pedestrian recreation.
- Most donated, but others are acquired by raising funds.
- 16 nature preserves totaling 715 acres.



Centerline Road, Just east of Brohman



Community Partnership: Barrier Dunes Sanctuary Addition



- Addition to existing Barrier Dunes Sanctuary
- Protection from driveway construction & adds 200 feet of pristine Lake Michigan shoreline to the 1,100 feet to the Sanctuary
- A focus for White River Twp since 1987
- \$1M project cost; LCWM raised ~\$800k through grants and fundraising
- Dedication on August 15 – Join Us!



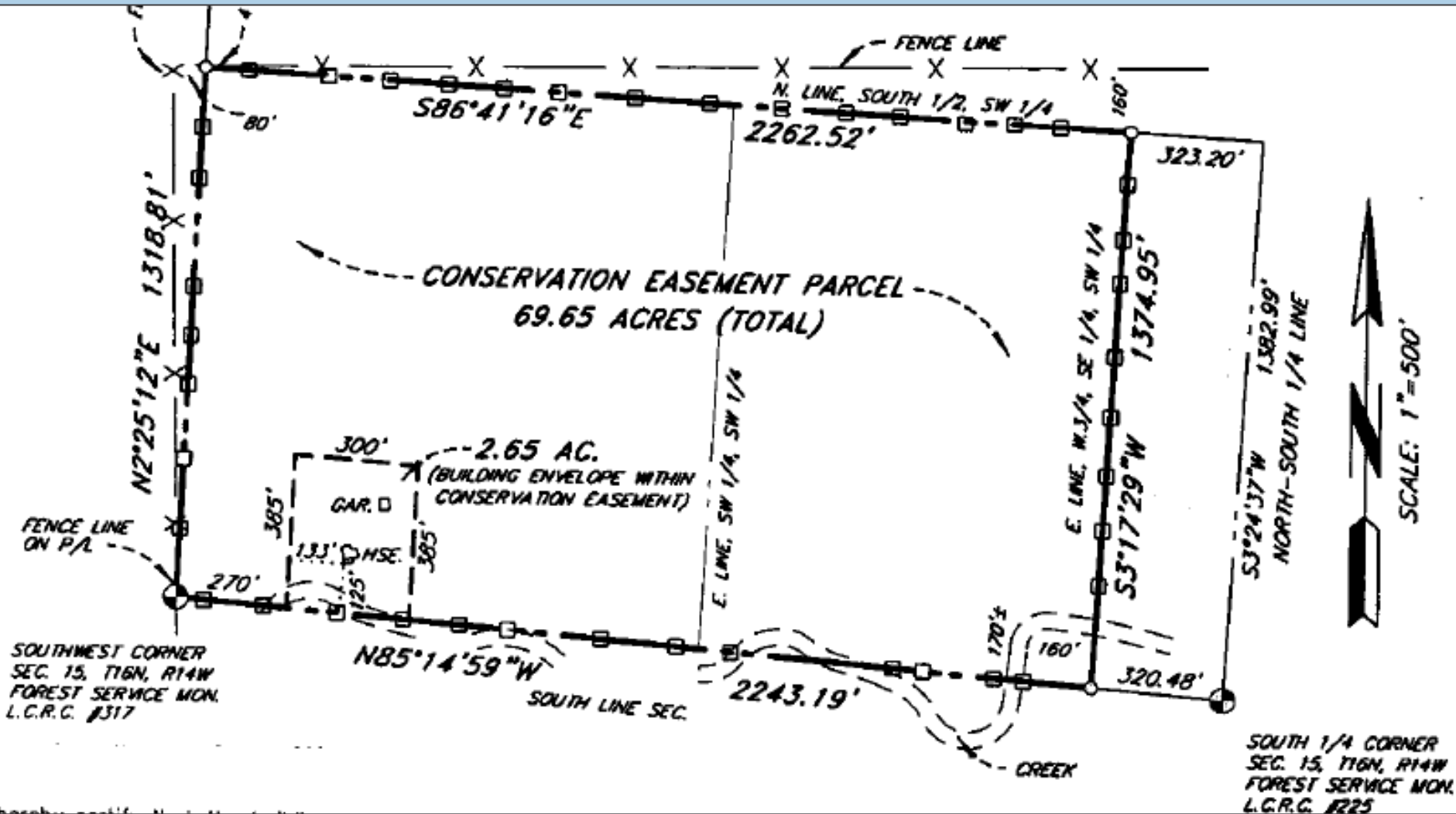
Bray Creek

Conservation Easements

- Legal agreement between willing landowner and the Land Conservancy.
- Permanently limits a property's uses and development.
- No public access is granted.
- Landowner may receive tax benefits for donating these conservation restrictions.
- From 10 acres to 300+
- 100+ conservation easements totaling 7,150 acres.

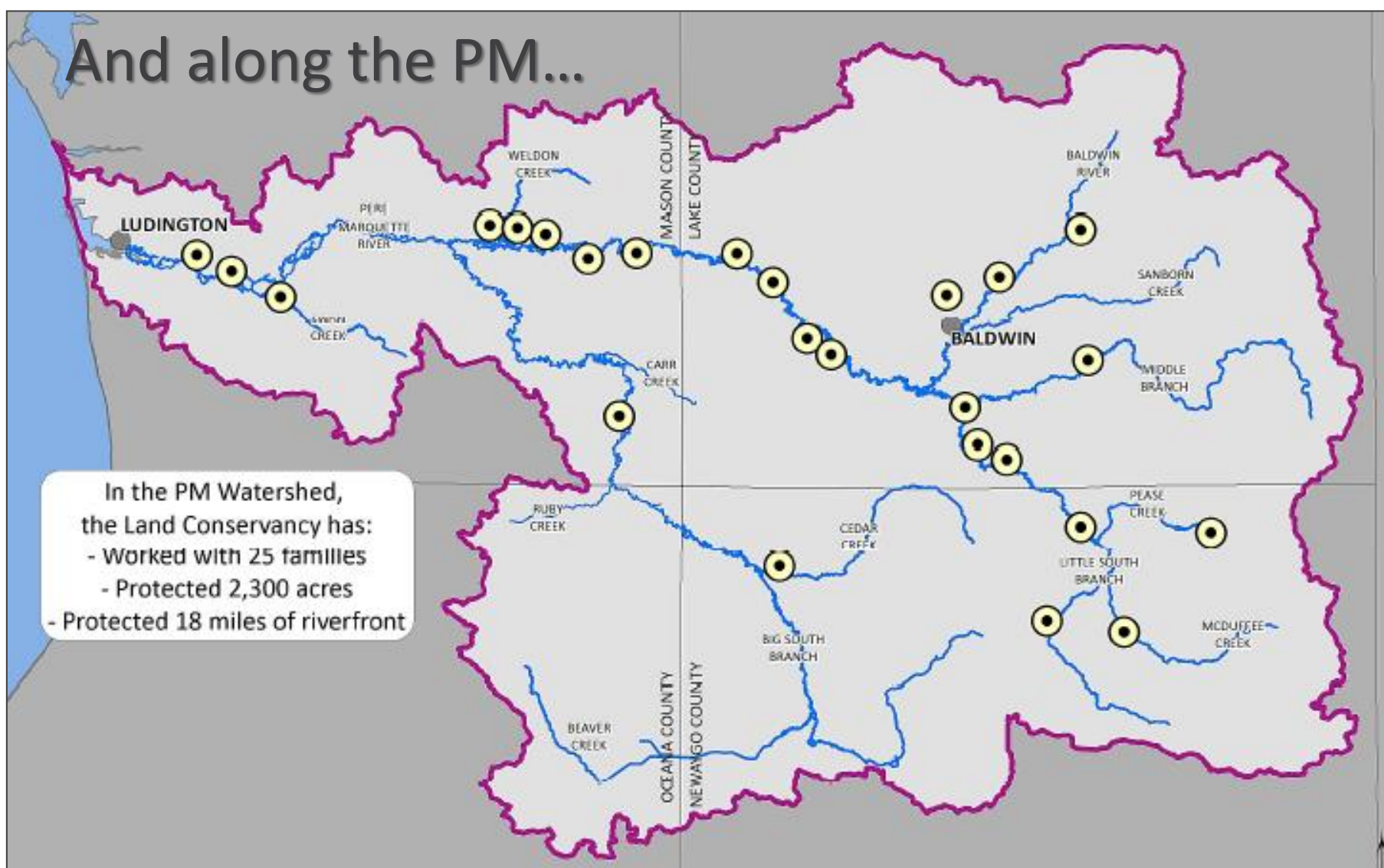


Conservation Easement Typical Layout



Jenkins Property on Cedar Creek

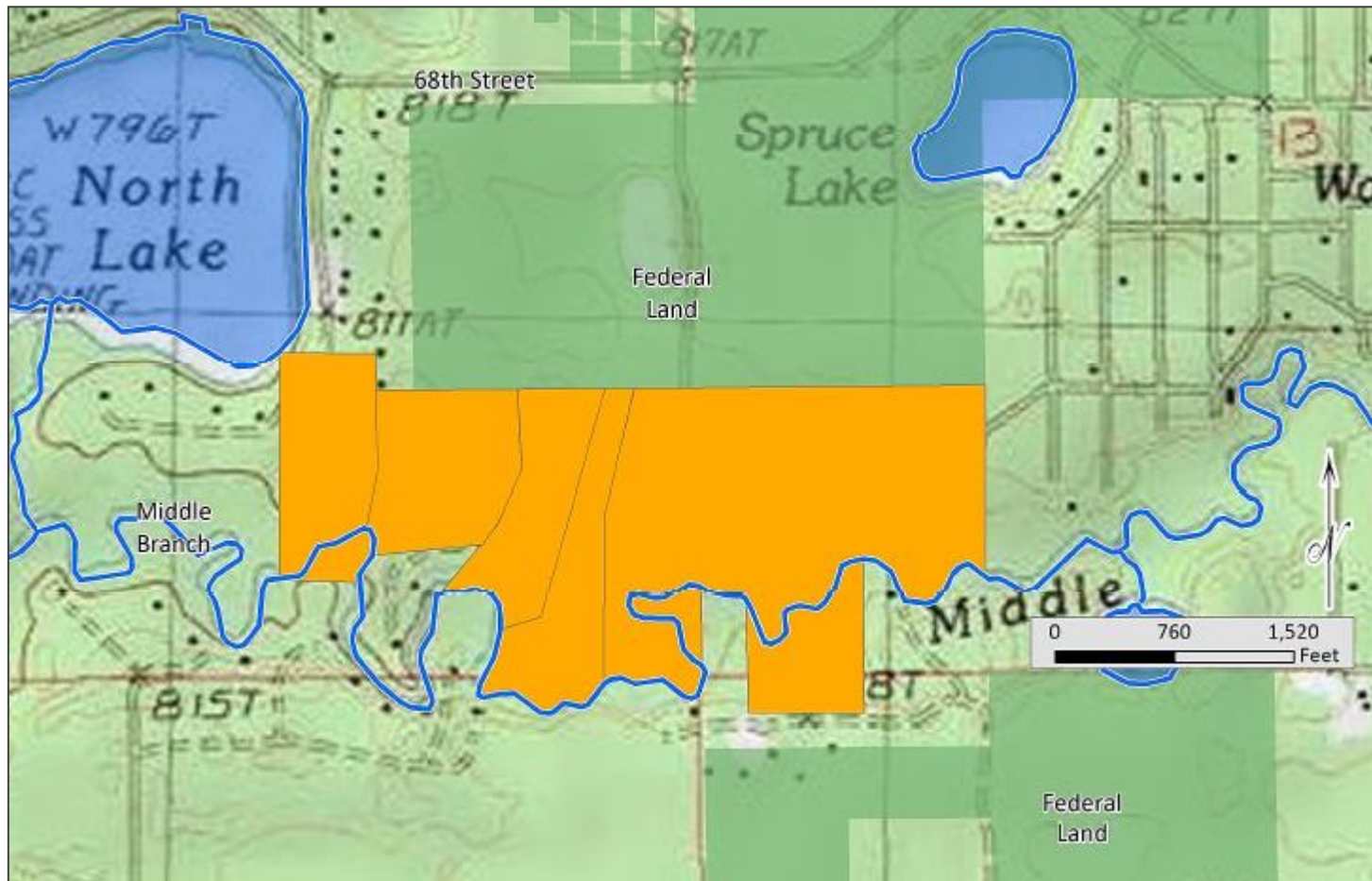
And along the PM...



- First established at Touhi Hunt Club in 2001
- Pursuing several projects currently
- Bridges gap of public land



Smaller
Parcel
Example:
“Cross St”
Neighbors



- Larger parcel (easternmost) anchors protection
- Five landowners in partnership
- Individual conservation easements
- Adjacent to federal land
- Riverfront homesteads established





Potter Property on Big South Branch

Smaller Parcel Example: Potter Big South property

- 10 acre property on Big South of the PM
- Building Envelope is approximately 3 acres
- Small parcel/large amount of riverfront ratio
- Feasible for another building site, though conservation easement now restricts (CE created in 2013)



Conservation Buyer

- Situation: Interested in selling property, but want it to be owned by “like-minded” owners
- Land Conservancy can help make a match
- PA 446 “caps” the property taxes at their current level
- CE can make property less valuable, but federal income tax break can help make up cost



Guikema Property on Middle Branch



A Reassembling example:

- Property owner purchases adjacent lots to secure ownership of ~20 acres over 3 tax parcels w/ 3 cabins
- Agrees to keep 1 house as residence, keep 1 as guest house, and take down 3rd & no subdivision thereafter
- Property is appraised subject to conservation easement
- Township assessor agrees assess the property at after value of property with CE:
 - Currently (before CE), property's **SEV is \$275,000** and **taxable value of \$225,000**
 - Appraiser values the **FMV, before CE value at \$675,000**
 - Appraiser values the **after CE value at \$325,000**
 - If assessor approves of the CE appraisal, **after SEV would be \$162,500**
- Results:
 - Federal income tax benefit of \$350,000
 - Property taxed at \$162,500 (previous Taxable Value at \$225,000)



New Federal Income Tax Incentives for Conservation Easements:



Tributary creek near Walhalla

- Legislation in 2015 made increased incentive permanent
- Now, a donor can take value of conservation easement donation:
 - Over total of **16 years** or until gift is used (up from 6 years)
 - Can take against **50% AGI** (up from 30% AGI)
 - Qualified farmers and ranchers can take against 100% AGI



Questions

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Land Conservancy
OF WEST MICHIGAN