Like most of the southern U.S., Texas faces serious water issues. The Texas Agricultural Land Trust advocates that conserving working farm and ranch land offers a win-win solution to water security for the public and agriculture that is both cost effective and sustainable. One of the successful agricultural conservation programs that serves as an excellent model for what can be done in Texas is the Dakota County, MN Farmland & Natural Areas Program.

Successfully passing a family’s legacy from generation to generation is equal parts business and heart.

“Traditionally, the planning community focused its efforts only on the business of transferring assets,” said Tommy Oliphint, CEO, Grand Purpose Advocate, a San Antonio-based financial advisory company. “In recent years, planners have realized that it’s not enough to simply prepare the assets for the heirs, the heirs must be prepared for the assets – and the responsibility that comes with stewardship of the family’s legacy.”

“Successfully transitioning assets is not easy, but successfully transitioning assets without a shared purpose is almost impossible,” said Eric S. Foultz, senior managing director of LBJ Family Wealth Advisors, Ltd. in Austin. Research has shown that 70 percent of generational transitions fail during the succeeding generation, he said, and that the failure rate is first and foremost due to a lack of trust and communication, followed by not adequately preparing the
CEO’S LETTER

TEXAS HAS A RICH HISTORY OF LAND STEWARDSHIP and ownership. Over the last six years at the helm of TALT, I have sat around many a kitchen table (including my own) visiting with families about how they would like their property to remain intact for future generations and how to plan for that. Those conversations have been rich with passion about their family history, personal memories on the land, the special merits of their property as well as their vision for what the future might hold for their land. Regardless if they are legacy owners looking to preserve their heritage or newer owners trying to create one, preserving their land for future generations is what they desire.

While each owner or family of owners we work with has different ideas about how best to steward and pass on their land, they have one thing in common: a love of the land. That love of the land is the very thing that inspired the creation of TALT and sustains us today.

It is not uncommon for two or three generations to be involved in the decision making process about how to protect and pass on a particular piece of property. While it is generally true that the elders in the family see the land as their legacy, it is much more than that. The real legacy is the values they have instilled in their heirs: a love and respect for the land, a sense of stewardship for nature, and an understanding of how their actions have impact far beyond their fences.

As Texas faces a rapid loss of agricultural land and a serious water shortage, TALT aims to help people in the farm and ranch community think more broadly about how their own legacy can benefit not just their own family and community but all Texans. One part of that discussion is how to create a sense of stewardship in the next generation and integrate them into the succession planning process. Our article on Preparing One’s Heirs offers valuable suggestions on how to bring everyone into the planning process and the importance of doing so.

The successful results of such thoughtful planning are highlighted in our Sycamore Canyon Ranch profile and the Conserving Farmland Conserves Water stories. These stories are a testament to what can happen when all the stakeholders come together to plan for the future in a way that also respects the past.

Through my personal experience as a rancher, parent, spouse, and land conservation professional, I have come to believe that important things like conservation, protecting heritage lands and leaving a legacy of stewardship don’t just happen – we must be proactive. Instilling such values within our own families and community is one great step in the right direction to ensuring that one day all Texans – regardless of their ties to the land – will understand clearly how our working lands sustain them and that we will all be united in conservation by our love of the land.

Sincerely,

Blair Fitzsimons, Chief Executive Officer
bfitzsimons@txaglandtrust.org
PASSING LAND DOWN TO FUTURE GENERATIONS: PREPARING ONE’S HEIRS continued...

heirs and, to a lesser degree, not having a shared mission.

For farming and ranching families, land qualifies as both a business and emotional asset, said Dave Specht, founder of Advising Generations LLC, a family business consulting firm emphasizing farm and ranch transitions, based in Connell, Washington.

“Farming and ranching families live where they work, so it’s not like any other business,” said Specht. “When one generation starts to transfer ownership of a farm or ranch to the next generation, it is much more emotional than transitioning any other type of business because it’s not just a livelihood, but an entire way of life.”

He continued, “Ownership is a legal right to control something, but ownership is not enough when we are talking about how we treat farms and ranches. Stewardship is caring for something in a way that respects the past and preserves it for the future. When the perspective is that we’re caretakers of the land, then we make decisions that are good for us and for the future of the land.”

The cornerstone of a successful transition is open communication built on trust. “Trust takes a long time to establish, but can disappear very quickly,” Oliphint said. From the beginning, the family needs to honestly assess its situation. In some cases, everyone may be committed to keeping the ranch productive and in the family. In other cases, the older generations may be interested in keeping the ranch in the family, but a portion of the younger generation may not have the same ties to the land and may be unwilling or unable to commit their personal resources to its upkeep.

Oliphint encourages families to collectively draft a family mission statement. “Mission statements reflect the refined essence of a family’s values and priorities,” Oliphint said. “To obtain a final product, people have to talk about a wide range of issues and work together for a common goal. The process takes things that have been tucked away in people’s heads and hearts and puts them on the table.”

All three advisors agree that, once there is a mission statement, the family should devise a governance structure and ensure that everyone gets heard. Creating “job descriptions” and “performance standards” helps families recognize skills and talents within their ranks as well as establishing objective measurements of performance, which prevents subjective criticism. Because transitions to the next generation are not easy, many families wait too long to start.

“The biggest mistake is not starting to transition early enough,” Specht said. “Transitions of ownership and management take years, depending on the size and scope of the operation. It takes time for the next generation to build confidence. Start early and be intentional with your progression.”

He continued, “Transitioning leadership and legacy to the next generation is not an event, but a process that takes time. Teaching your children from an early age how to treat the land, the animals and the business is a good way to start.”

10 TIPS FOR SUCCESSFUL TRANSITION PLANNING

1. Be proactive and start the transition early! Successful transitions of leadership & legacy takes time.
2. Actively prepare your heirs by sharing your knowledge and respecting their ideas.
3. Develop trust through active communication about your desires, the requirements of managing the property and the different options and tools available for passing on the land.
4. Recognize core family values, relationships and heritage as assets.
5. Deal with differing interests up front. Honestly assess your family’s situation and create a plan that addresses differing interests.
6. Create a family mission statement that includes values and priorities. This processes, helps open communication, build trust and results in a shared purpose.
7. Explore all of the legal, tax planning and conservation tools available to you & your family as well as their pros and cons so your family can make an informed decision.
8. Have a governance structure for the decision making process and ongoing management of your family assets. This helps ensure that all voices are heard.
9. Be respectful of each other. This is an emotional process.
10. Seek the counsel and advice of experts and other families who have gone through the process, to get ideas about structures and processes that may work best for your family.
“Open space land nourishes the soul.”

Before they were old enough to walk, Ruthie Russell began taking her sons camping on the family’s ranches. Today, William, 30, and McLean, 24, are both committed outdoorsmen and were part of the decision-making team that negotiated a conservation easement for the family’s Sycamore Canyon Ranch in Val Verde County. Situated on the northern border of the Devil’s River State Natural Area, the 7,700-acre ranch contains both Sycamore Springs and three miles of Devil’s River frontage.

“The Devil’s River is too perfect to leave its fate to chance,” said Ruthie Russell. “The conservation easement formalized our commitment to keeping the river and the land pristine and wild. My sons share my pride in our stewardship. There are few things better than conserving unique, important land for the future.”

Ruthie chose to enact a conservation easement because of increasing land fragmentation, which is hitting the Trans-Pecos particularly hard.

“Although this region is considered to be remote, it is not immune to the march of subdivisions and ranchettes,” Ruthie said. “Ranchettes make it difficult to conserve land on the scale necessary to keep habitat intact and ecological systems functioning. My ultimate goal was to pass the ranch along to the boys intact so that it could continue to make an ecological difference.”

The ranch lies at the juncture of the Tamaulipan, Balconian and Chihuahuan desert ecoregions. The plant community, which changes from canyon to canyon, is diverse and ranges from giant live oaks and pecan trees to desert cactus and ocotillos. The diverse habitat, combined with the phenomenon of water in the desert, attracts abundant wildlife.

“My family believes in the importance of productive, open space land for both agriculture and the environment,” Ruthie said. “It’s a lesson that we learned from my grandparents who began acquiring land in the 1930s. My grandmother always said, ‘It’s our job to leave the land better than we found it.’ And then she’d take us out adventuring to see the splendor of nature first-hand.”

She continued, “Open space nourishes the soul. Unfortunately, I’m afraid people won’t realize how land sustains them, until it’s gone.”

TALT’s recognition of the importance of keeping open space ecologically and agriculturally productive is what led the Russell family to the organization.

“TALT understands that land stewards have to have the ability to manage the land to make a difference,” said Ruthie. “While they provided first-rate information as we were going through the conservation easement process, they also respected our experience as landowners and land managers and allowed us the leeway to do what we think is best for our land, now and in the future.”
MEET TALT BOARD MEMBER JOE MALEY

Northern Bee County has been home to the maternal and paternal sides of Joe Maley’s family since they staked their claims in the late 1800s. Today, Joe owns and cares for the land that has been cherished by both sides of his family for more than 110 years.

“I live on my mother’s home place and own my father’s home place,” Joe said. “I’m very proud that we’ve been able to keep the land in the family.”

Joe understands the challenge of keeping land intact even more clearly than most. His father died of a heart attack in 1955, at the height of the 1950s drought, leaving the then-12-year-old boy and his mother to run the cow-calf operation and survive. With hard work and the help of savings bonds, the duo kept the ranch running when many others failed.

After graduating from Southwest Texas State University, Joe returned home planning to teach ag science and ranch, but an opportunity with Texas Farm Bureau changed his plans. For 40 years, Joe handled many areas of responsibility, but was always engaged in public policy, protecting the interests of Texas’ ranchers and farmers.

“During my public policy career, my goal was keeping a favorable business climate in Texas for farmers and ranchers, so they could survive on the land,” Joe, who was one of TALT’s founding directors, said. “It’s important that agricultural lands stay in production because America cannot afford to be dependent on foreign food. As long as our farmers and ranchers keep producing the staples of our diet, no one can starve us out.”

Joe works for TALT because TALT works for farmers and ranchers.

“TALT is different than other land trusts because it is designed to keep farmers farming, ranchers ranching, and wildlife managers producing wildlife.”

ENHANCED TAX INCENTIVES MAY BECOME PERMANENT

On July 17th the U.S. House of Representatives voted YES H.R. 4719, “The America Gives More Act,” which included H.R. 2807, legislation to make permanent the enhanced tax incentive for conservation easement donations. This bill passed the House in a bi-partisan vote of 277-130. This measure now moves to the Senate, where we have strong support.

Permanent enhanced tax incentives will slow the loss of open space by making the conservation easement a more attractive tool to a wider group of farmers and ranchers. The enhanced incentive:

• Raises the maximum deduction a donor can take for donating a conservation easement from 30% of their adjusted gross income (AGI) in any year to 50%;
• Allows qualified farmers and ranchers to deduct up to 100% of their AGI; and
• Increases the number of years over which a donor can take deductions from 6 to **16 years**.

**TAKE ACTION**
Please ask your Senator to support this measure. You can reach your member of Congress at 202-224-3121. Be sure to ask to speak with the staffer responsible for tax issues.

TALT CONSERVATION EASEMENT DONORS AWARDED 2014 LONE STAR LAND STEWARD AWARD

The 2014 Lone Star Land Steward Awards was hosted by the Texas Parks and Wildlife Department on May 21, 2014 in Austin, Texas. TALT conservation easement donors Ruthie and Johnny Russell and sons McLean and William Russell were one of the 2014 Lone Star Land Steward Award recipients for their outstanding stewardship of the Sycamore Canyon Ranch. “This is one of the most prestigious awards given for land, water and wildlife stewardship in the state of Texas. Ruthie and family exemplify the truest sense of what it means to be a land steward,” said Blair Fitzsimons, TALT’s CEO.

TALT is also proud to recognize TALT conservation easement donor, The Dixon Water Foundation, who received a Lone Star Land Steward Award for their innovative grazing and livestock production work on the Bear Creek Ranch in Parker County and TALT Advisory Board Member, David K. Langford, his wife Myrna and members of his extended family who were recognized for their cooperative management and preservation of the Hillingdon, Laurels and Leslie Ranches in Kendall County.

This year’s recipients characterize the unique cultural and natural heritage of Texas. Landowners restoring degraded habitats while conserving flora and fauna are a common thread. TALT was proud to be a sponsor of this event and congratulates all winners. To view the videos produced about each of the winners visit the Texas Parks and Wildlife YouTube channel, key phrase “Lone Star Land Steward”.

Read More txaglandtrust.org
MISSION
Created by landowners for landowners, TALT’s mission is to protect private working lands, thus conserving Texas’ heritage of wide open spaces.

GOVERNING PRINCIPLES

STEWARDSHIP
requires stewards.
Keeping productive rural lands in private hands and under private management is the best way to conserve Texas’ natural resources.

FOCUS
only on private lands.
TALT refuses to acquire conservation easements that will end up in public hands or that involve condemnation.

HELP
landowners protect their lands.
TALT does not own fee title to any properties.

TRUST
the landowner to manage.
TALT does not interfere with day-to-day management decisions.

RESPECT
landowners’ rights.
The donation of an agricultural conservation easement does not require the landowner to provide public access, nor does TALT require it.

CONSERVING FARMLAND CONSERVES WATER continued...
IN DAKOTA COUNTY, MN

DAKOTA COUNTY PROBLEM
A perfect storm of environmental concerns prompted the creation of the Dakota County, MN Farmland and Natural Areas Program. Rapid growth, declining water quality, and the possibility of an international airport got the attention of county government officials and residents. This result was a successful collaborative effort to keep rural land open and in agricultural production, protect important natural areas, and improve water quality and wildlife habitat.

With Dakota County located in the rapidly growing Minneapolis/St. Paul metro region, residents had for years watched in alarm as more of the County’s open space was converted from agriculture to suburban uses each year.

The rapid growth and development also impacted the local water supply. Dakota County is home to four major rivers, a trophy trout stream, and a multitude of creeks and lakes. Although water appeared to be abundant, much of it was “impaired” by high levels of bacteria, sediment, nitrates and other pollutants.

As they considered these impacts, County policymakers began to understand the financial, social and cultural importance of the county’s open space and natural systems, and realized that a piecemeal approach to conservation would not be effective.

Al Singer, the Land Conservation Manager for Dakota County said, “we began to ask ourselves, ‘How do we systematically protect open space throughout the county to provide a wide range of private and public benefits?’”

DAKOTA COUNTY SOLUTION
The answer was the Dakota County Farmland and Natural Areas Program (FNAP), an intensive, collaborative planning effort that included, among other groups, the Dakota County Soil and Water Conservation District, Minnesota Farmers Union, and University of Minnesota Extension.

The planning process included more than 70 public meetings, including with opposition groups, to increase understanding and support. The resulting plan was adopted in January 2002, and in November 2002, a $20-million bond referendum passed. Private donations as well as federal, state, and other local funds leveraged the County’s original $20 million investment into $80 million.

The primary tool used in the voluntary program was the acquisition of conservation easements from landowners. Under the terms of the conservation easement, landowners retained title to their property and were not required to allow public access. Future development was prohibited, but they could continue to farm, graze livestock and recreate. The County acquired and monitored the conservation easements, helped the landowners to develop natural resource management plans and then often provided funds for the landowners to voluntarily improve their land.

“No one likes to be told what to do, so a regulatory approach wouldn’t have worked,” Singer said. “Instead, we created a program that was entrepreneurial, fair, flexible, and recognized the economic realities of people living on the land.”

“No one likes to be told what to do, so a regulatory approach wouldn’t have worked,” Singer said. “Instead, we created a program that was entrepreneurial, fair, flexible, and...
recognized the economic realities of people living on the land. One of the primary goals of the program was to preserve the County’s rich agricultural heritage by providing a new option for farmers so that their land would remain economically and ecologically productive.”

PROGRAM RESULTS

The program outcomes have included greater communication between citizens and government officials, and the intangible increased quality of life that comes with conserving open space.

“In the beginning, people were reluctant to participate because they were afraid of giving up some control,” farmer Ray Taylor said. “But when you see the results and know that the Cannon River is in better shape, you know what you’ve done is not only good for you, but good for the community and everybody who lives downstream.”

“The program intentionally gave people an opportunity to conserve their land and their heritage, without changing much about the way they do business,” he said. The program has successfully protected 6,900 acres of farmland with agricultural easements valued at $25M. Another 14 projects are underway totaling an additional 1,500 acres.

HOW THIS APPLIES TO TEXAS

“As Lyndon Baines Johnson noted, ‘Saving the water and the soil must start where the first raindrop falls,’” said David K. Langford, retired executive Vice President of the Texas Wildlife Association and a member of the Governor’s Environmental Flows Advisory Committee. “Programs like the Dakota County program do that because their creators recognize that adequate open space land is critical to improved water quality and quantity.”

Currently, two Texas programs have similar goals to the FNAP, he said. The Edwards Aquifer Protection Program, which purchases conservation easements in Bexar, Uvalde and Medina counties, and a similar program in Travis County- which protects valuable Edwards Aquifer recharge areas and the Barton Creek watershed.

In addition to recharging aquifers, land conservation programs can enhance in-stream flows, a major concern for a rapidly growing, drought-stricken state like Texas.

Langford says, “imagine the impact that a coordinated land conservation effort mounted along the entire course of a river could have – and then multiply it by all the rivers in Texas. Land stewardship is a powerful conservation force.”

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WHAT’S AT STAKE?

Minneapolis/St. Paul metro region is home to:

- 400K people
- Four major rivers
- Trophy trout stream and diverse wildlife population
- Multitude of creeks and lakes
- 21 cities and 31 townships

PROBLEM

- Rapid growth with possibility of int’l airport
- Declining water quality
- Loss of highly productive agricultural land
- Loss of wildlife diversity/population

SOLUTION

- Identify the highest priority acreage in the state for conservation.
- Develop statewide farmland protection plan
- Create citizen educational campaign
- Keep rural land open and in Ag production
- Protect important natural areas
- Improve water quality and wildlife habitat

RESULT

$80M comprehensive conservation effort that:

- Protected 9,704 acres of conservation lands
- Protected and improved water quality
- Protect and improved wildlife habitat/ corridors
- Limited mixing incompatible uses (farm and non-farm)
Texas is home to 8 of the country’s 15 fastest growing cities.

The future of clean and abundant water in Texas depends directly on the choices Texans make now.

Demand for water will increase 22% in the next 50 years while existing water supply will decrease by 10% in any drought year.

THE NUMBERS SIMPLY DO NOT ADD UP.

By acting now to execute TALT’s mission of conserving working agricultural lands we also conserve the public benefits that are derived from its protection for our economy, public health, and our enjoyment. Private land conservation happens to be one of the least expensive and easiest water security strategies to implement, and is at the forefront of TALT’s efforts.

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