



ANNUAL REPORT

FISCAL YEAR 2020

2019-2020

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Our mission is to conserve the Texas heritage of agricultural lands, wildlife habitats, and natural resources.

We work hand-in-hand with landowners across Texas to conserve the family lands they cherish for future generations. Our work is guided by the steadfast leadership of our Board of Directors and a dedicated staff of professionals. We share a common purpose.



**FOR THE LOVE OF
THE LAND.**

CEO EMERITUS LETTER • Blair Calvert Fitzsimons

For the love of the land.

That simple statement sums up the guiding principle for the Texas Agricultural Land Trust (TALT). When we founded TALT in 2006, our goal was simple: create an entity that would have a positive impact on the rapidly increasing loss of open space and working lands in Texas.

Leaders of the Texas Wildlife Association, Texas and Southwestern Cattle Raisers Association, and the Texas Farm Bureau came together to make it happen, and the result was an ag land trust created by landowners for landowners.

Building trust was job number one. Maintaining the trust of the landowners we serve is the bedrock of everything we do. Fast forward 14 years and as of fiscal year-end, March 31, 2020, TALT has partnered with landowners to permanently protect nearly 234,000 acres of working lands across Texas, lands that will forever provide wildlife habitat, food and fiber, and clean drinking water. By staying laser-focused on our mission, TALT helped to change attitudes about conservation easements and the result will be felt for generations to come.

2020 marks the end of my tenure at TALT. As we put together the timeline of achievements chronicled throughout the pages of this report, I am humbled and grateful: to those first donors who believed in us when TALT was just a concept, and to those who followed with their invaluable support. To the exceptional board members who have guided us along the way. And to our dedicated staff members who are passionate about our mission.

It takes a team to bring about change, and we have an incredible team. With CEO Chad Ellis at the helm, TALT will no doubt continue to leave a legacy for future generations. As I go out the door, I simply say thank you.

All the best, Blair



A handwritten signature in blue ink that reads "Blair".



CHAIR LETTER • Charles Davidson

The year 2020 will go down in history as one of upheaval and change, fueled by the unprecedented global pandemic that upended lives. While change is no doubt a part of our new normal, some things are constant. At the Texas Agricultural Land Trust, we believe that the legacy of land will persevere for generations to come.

Thanks to our many partners and supporters and shepherded by the steadfast leadership of our founding CEO Blair Fitzsimons, TALT has stayed true to its mission of conserving the wide-open spaces of Texas.

As we navigate through our own season of change with a leadership transition, we are committed to upholding our core values that are grounded in the trust we have built with landowners, partners, and supporters.

TALT's Board of Directors is grateful for the support we've received this past year, and every year, and we deeply appreciate the passionate leadership of Blair Fitzsimons which has been a key factor in our success. We are committed to maintaining a steady hand at the helm and know that Chad Ellis is the perfect successor to follow Blair.

As we write the next chapter of TALT's history, we are united in our commitment to our mission. We are inspired to conserve the working lands across Texas for the love of the land.

We thank you for your support.

Charles



A handwritten signature in blue ink that reads "Charles".

POLICY and ADVOCACY



are critical components of TALT's strategy to conserve working lands in Texas. TALT works tirelessly to impact policy that affects landowners at both the state and federal level. Pursuing funding sources for landowners who wish to sell conservation easements is a key element of our advocacy work.

TALT worked with the Partnership of Rangeland Trusts (PORT) to secure much-needed changes to the 2018 Farm Bill. The most noteworthy change for landowners was eliminating the requirement for a non-federal cash match to access the Agricultural Conservation Easement Program (ACEP). Now TALT is focused on the rule-making aspects of ACEP to ensure that changes enacted by Congress are appropriately addressed. TALT will also participate in a PORT-led Farm Bill working group to start developing a strategy for the 2023 Farm Bill.

At the state level, TALT continues to advocate for funding for the Texas Farm and Ranch Lands Conservation Program. With the passage in November 2019 of Proposition 5, which permanently dedicates sporting goods sales taxes for state park and historic site funding, it is now more feasible to pursue increased funding for this important program. TALT will work with the Texas land trust community to build support for an additional appropriation in 2021. In addition, TALT will continue to monitor Hurricane Harvey-related funding sources for opportunities to purchase conservation easements on working lands.

2004



2005



2006



American Farmland Trust (AFT) hires Blair Fitzsimons to garner support from the ag community for legislation creating a purchase of development rights program. AFT also commissions an update of the Texas Land Trends report to collect data and tell the story of rural land loss in Texas.

Despite opposition, the **Texas Legislature passes a landmark bill establishing the Texas Farm and Ranch Lands Conservation Program**. Housed at the General Land Office (GLO), the program is not funded. Blair Fitzsimons organizes farming and ranching industry leaders to discuss the creation of a non-profit ag land trust.

In August, **Congress passes legislation creating enhanced tax incentives for donated conservation easements**. These new incentives, which include special provisions for full-time farmers and ranchers, generate significant demand for an ag land trust in Texas. In December, TALT incorporates as a non-profit.

IMPACT

“Saving the water and the soil must start where the first raindrop falls.”

Lyndon Baines Johnson, 1947

WATER FOR TEXANS

The observation that our 36th president made about land and water still rings true more than seven decades later. When it rains in Texas, **84% FALLS ON FARMS AND RANCHES**. Rural working lands are key to protecting Texas' drinking water. As Texas continues to grow and rural land is developed and fragmented, the wisdom of LBJ's simple statement is more evident today than ever.

TALT's partnership with private landowners who steward nearly

234,000 acres

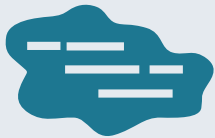
impacts all Texans.

TALT easements conserve over

176,000 acre-feet

of water every year.*

THAT'S THE EQUIVALENT OF THE WATER IT WOULD TAKE TO FILL:



JOE POOL LAKE**



More than 57,000
MUNICIPAL WATER
TOWERS



More than 1.8 Million
SWIMMING
POOLS



That's enough water to meet the
recommended **DAILY DRINKING WATER**
requirements for the city of San Antonio
for the next **200 years!**

Sources: *Arnold, C. L., & Gibbons, C. J. (1996). Impervious Surface Coverage: The Emergence of a Key Environmental Indicator. Journal of the American Planning Association, 62(2), 243-258. **Texas Water Development Board

2007

In May, TALT's board meets for the first time, with Steve Lewis as board chair. TALT receives startup funding from the Meadows Foundation, Ewing Halsell Foundation, Lee and Ramona Bass Foundation, and Dixon Water Foundation. The **new ag land trust is open for business**, with Blair Fitzsimons facilitating the day-to-day operations on behalf of American Farmland Trust.

Blair Fitzsimons and Steve Lewis negotiate **TALT's first two conservation easements with Clayton and Modesta Williams**. With the protection of the High Lonesome and Happy Cove ranches in the Davis Mountains, TALT immediately becomes one of the largest state-based land trusts in Texas.

70,000 acres

under conservation
easement at end of 2007

★ 2008

The enhanced tax incentives for donated conservation easements expire in December 2007, but in 2008 Congress reinstates them for two more years, **laying the groundwork for ongoing efforts to make the incentives permanent**. In September, the TALT board hires Blair Fitzsimons as TALT's first CEO.

SANTA ANNA RANCH

Coleman County, Texas

Fifth-generation ranchers Mike and Tara Miller, who along with their sons and grandsons own Miller Land & Livestock based in Wyoming and Texas, rely on conservation easements to deliver financial options and peace of mind.

“As a financial tool, conservation easements have helped us expand our holdings,” said Tara, noting the family has placed three conservation easements on their properties. “After our donation, we reinvest the conservation money in our ranching operation. Because conservation easements protect our land from development, we have peace of mind knowing our ranchland will be open and productive forever.”

In 2013, the Millers purchased the Santa Anna Ranch in Coleman County, Texas and negotiated a conservation easement on 950 acres. In a testament to the land’s ecological value, the easement was TALT’s first to be funded using the Natural Resources Conservation Service’s Agricultural Conservation Easement Program (ACEP) and the Texas Parks and Wildlife Department’s Texas Farm and Ranchlands Conservation Program to purchase a majority of the development rights. The Millers donated the remainder.

“When we fulfill our responsibility to be good stewards, we leave the land better than we found it and enhance the productivity of our open spaces,” Tara said. “A conservation easement allows that good stewardship to continue forever—and that’s a win now and in the future.”

★ 2009

Several easements close in 2008, including **TALT’s first post-mortem easement**. This allowed a reduction in the value of the property after the death of the landowner, thereby reducing estate taxes.

In December 2009, TALT closes on an easement on the **San Pedro Ranch** in Dimmit County.

98,089 acres
under conservation
easement at the end
of 2009



★ The **5,117-acre George Ranch in Presidio County** was purchased by the Dixon Water Foundation and the conservation easement held by TALT has helped create a 20K+ acre block of conserved lands in the Marfa Flats.

★ The **192-acre Moulton Waring Ranch in Kendall County** was donated by Susan Naylor Moulton and is located on the banks of the Guadalupe River. The easement is helping to halt the large amount of fragmentation that has been seen along the Guadalupe River.

★ An easement on the **1,420-acre Windrose Ranch in Zavala County** was donated by Jeff Wigington and is the first in the county. The ranch conserves a tributary of the Frio River in an area that has seen an uptick in fragmentation in recent years.

“ Because conservation easements protect our land from development, we have peace of mind knowing our ranchland will be open and productive forever. ”



2011

★ 2012

Congress reinstates the enhanced tax incentives for donated conservation easements and interest in TALT's work spikes again. Several new easements close, and the Texas Parks and Wildlife Foundation transfers an easement on the Canadian River to TALT. Conservation easements now held by TALT protect more than 30 miles of Canadian River frontage.

198,008 acres under conservation easement at the end of 2011

TALT closes two additional donated easements that protect more than **15,000 acres around Palo Duro Canyon**. TALT-held conservation easements on private lands around Palo Duro Canyon now total almost 20,000 acres, ensuring the protection of one of the most iconic Texas canyons in perpetuity.

TEXAS AG LAND TRUST FINANCIAL HIGHLIGHTS

FOR THE FISCAL YEAR ENDING MARCH 31, 2020

Statement Of Financial Position

ASSETS

	2020	2019
Cash and Investments	980,350	1,220,662
Receivables	1,909,862	421,374
Investments Restricted for Endowment	3,445,862	3,590,902
TOTAL ASSETS	\$ 6,336,074	\$ 5,232,938

LIABILITIES AND NET ASSETS

Accounts Payable	44,292	50,001
Net Assets Without Donor Restrictions	177,027	345,809
Net Assets Without Donor Restrictions - Board Designated:		
Stewardship	789,230	893,857
Easement Defense	131,794	111,735
Operating Reserve	455,093	469,832
Forever Texas Fund®	957,601	1,061,602
Net Assets With Donor Restrictions	3,781,037	2,300,102
TOTAL LIABILITIES AND NET ASSETS	\$ 6,336,074	\$ 5,232,938

Statement Of Activities

REVENUE AND SUPPORT

Contributions:		
Foundation and Government Grants	2,488,849	177,845
Individuals and Corporations	813,613	1,394,404
Donated Conservation Easements	8,214,500	550,000
Fees for Service and Events	64,719	45,979
Income Investment/Other	(392,918)	74,572
TOTAL REVENUE AND SUPPORT	\$ 11,188,763	\$ 2,242,800

EXPENSES

Program	749,889	663,480
Conservation Easements	8,927,000	559,360
Management and General	274,633	274,664
Fundraising	128,396	132,376
TOTAL EXPENSES	10,079,918	1,629,880
Change in Net Assets	1,108,845	612,920
Net Assets, Beginning of Year	5,182,937	4,570,017
NET ASSETS, END OF YEAR	\$ 6,291,782	\$ 5,182,937

★ 2013

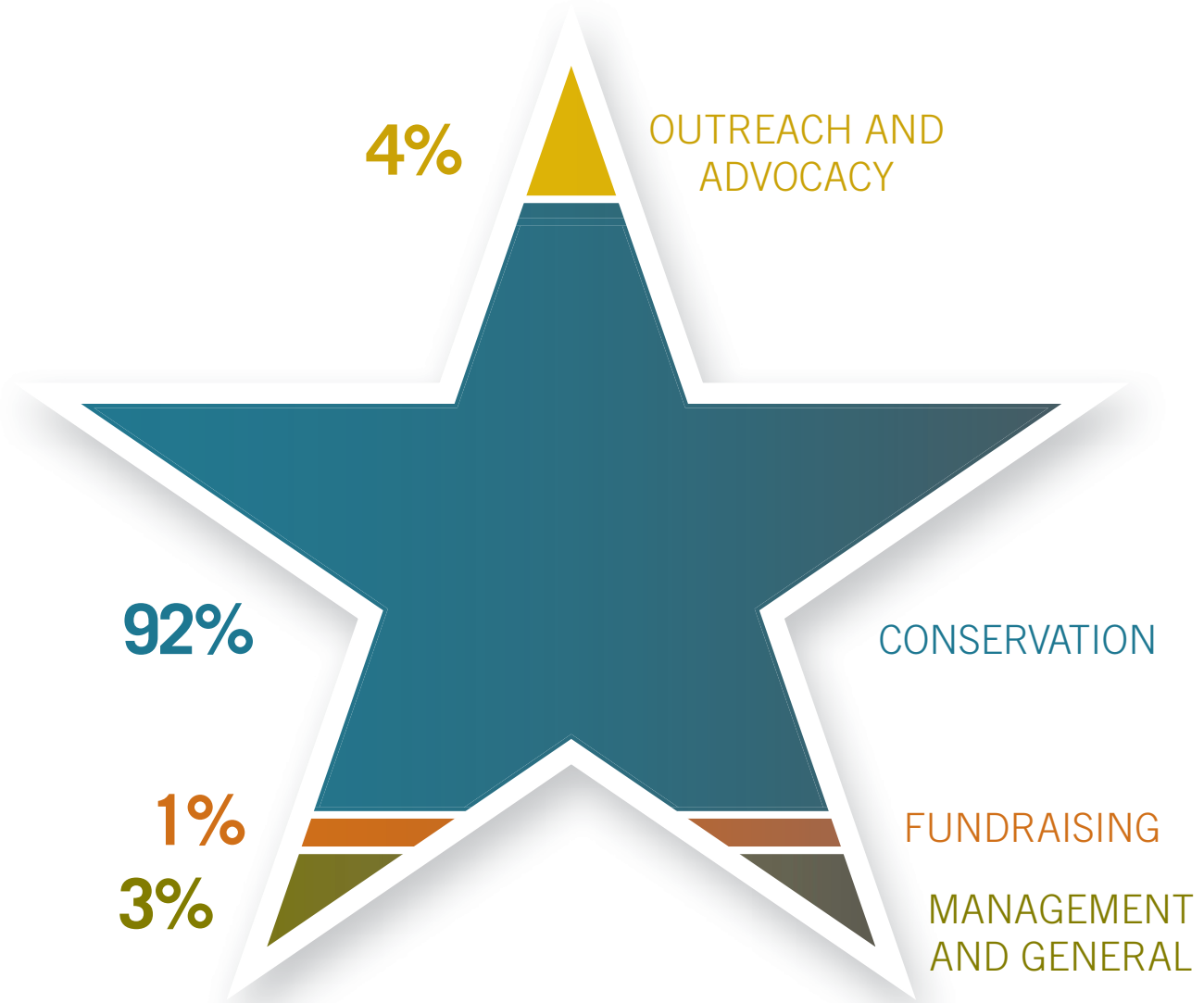
213,158 acres
under conservation
easement at end
of 2012

Enhanced tax incentives for donated conservation easements expire in 2012 but are **reinstated once again in 2013**. In July, TALT works with the the Texas General Land Office to close its first conservation easement through the Texas Farm and Ranch Lands Conservation Program. Coastal Improvement Assistance Program is the source of funding.

In December, **TALT partners with the Dixon Water Foundation (DWF)** to secure two donated easements in Presidio County. DWF bought a ranch to protect Alameda Springs, and to fund the portion they wanted to keep, they sold off parcels, subject to conservation easements.

PROGRAM AND OPERATING EXPENSES

FOR THE FISCAL YEAR ENDING MARCH 31, 2020



The Texas Agricultural Land Trust Foundation (TALTF) is a supporting foundation of the Texas Agricultural Land Trust, and houses its endowments and stewardship funds. These financial highlights include activity from both TALT and TALTF.

Audited financial statements and copies of IRS Form 990 are available upon request.

★ 2014

★ 2015

222,237 acres
under conservation
easement at end of
2013

TALT's donated conservation easement work stalls in 2014 after tax incentives expire. TALT works with the Texas delegation, including Congressmen Henry Cuellar and Pete Sessions, to get the **enhanced tax incentives for donated conservation easements made permanent**. TALT also launches the "No Land, No Water®" public awareness campaign, featuring donated billboards across Texas.

Major state and federal policy victories occur in 2015. Thanks in part to TALT's work with Speaker Joe Straus, the Texas Legislature awards the Texas Farm and Ranch Lands Conservation Program its first appropriation and moves the program to the Texas Parks and Wildlife Department. In December, Congress passes legislation making the enhanced tax incentives for donated conservation easements permanent.

CEO LETTER • Chad Ellis



FOR THE LOVE OF THE LAND is not only TALT's guiding principle but my own. I grew up appreciating the wide-open spaces of Texas, and have pursued a career dedicated to conserving the heritage of agricultural lands. I am thrilled that the latest chapter in my professional life has brought me back home to Texas.

TALT's mission brings together my passion for working lands, conservation, and most importantly the stewards of those lands. For the last 14 years, Blair Fitzsimons has laid the groundwork and built the foundation for the future of a thriving agricultural land trust. I am honored to lead TALT into the next chapter, and I look forward to building upon Blair's incredible work and passion.

The conservation easements we hold for landowners across Texas are a sacred trust. We pledge to honor these commitments forever. As I reflect on the timeline of achievements documented in this report, I am inspired by what's been accomplished thus far, and committed to upholding the promises we have made in the past and those we will make in the future. Thank you for your support.

Chad Ellis

FOREVER TEXAS
FUND®

FOR WIDE-OPEN SPACES. FOR TEXAS. FOREVER.

Just as TALT's conservation easements will endure in perpetuity, so must TALT. The Forever Texas Fund®, an endowment held by the Texas Agricultural Land Trust Foundation, supports TALT's operations and programs. The Forever Texas campaign, chaired by Steve C. Lewis and Joseph Fitzsimons, has a \$10 million goal to support the endowment. To date, just over \$2.5 million has been raised. Please help us protect Texas – forever – with a gift to the Forever Texas Fund®.

★ 2018

TALT closes its first mitigation bank conservation easement. The Tomahawk Mitigation Bank in Yoakum County, adjacent to the Texas Parks and Wildlife Department's Yoakum Dunes Management Area, contains a species mitigation bank to protect Lesser Prairie-chicken habitat.

224,020 acres
under conservation
easement at end of
2016

TALT works to affect much needed changes to the 2018 Farm Bill. TALT works closely with House Ag Committee Chairman Mike Conaway to remove the requirement for a non-federal cash match for NRCS' Agricultural Conservation Easement Program (ACEP), which kept Texas land trusts from accessing ACEP.

TEXAS AG LAND TRUST ANNUAL DONORS

April 1, 2019 to March 31, 2020

FOREVER TEXAS FUND®

Ruth Bowman Russell
Claire & George Vaughan

FOREVER TEXAS SOCIETY

Anonymous
Dixon Water Foundation
Miller Land & Livestock
Susan Naylor
Jeff & Lyn Wigington

TX AG LAND TRUST ANNUAL DONORS

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Please accept our sincere apologies for any unintentional mistakes or names that have been omitted. We have listed donations that were received by 3/31/2020.

★ 2019



In March 2018, **TALT closes a second mitigation bank**, the Bill Moore Mitigation Bank in Ellis and Navarro counties, which will restore a degraded stream bank.

224,315 acres
under conservation
easement at end of
2018

TALT closes on six easements in 2019, including a donated easement where the landowner uses the special provisions for full-time farmers under the now-permanent enhanced tax incentives. TALT also closes on its first easement to be funded through the federal ACEP program with matching funds from the Texas Farm and Ranch Lands Conservation Program.

233,073 acres
under conservation
easement by end of
2019

Please join us in keeping Texas big, wide, and open
by giving to the **FOREVER TEXAS FUND**.®

1919 Oakwell Farms Parkway, Suite 100 San Antonio, TX 78218
(210) 826-0074 txaglandtrust.org



FOREVER
TEXAS

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