

Conservation Matters

A publication of the
Thousand Islands Watershed Land Trust

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*Thousand Islands Watershed
Land Trust*

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Winter 2014/2015

New Treasurer Joins Land Trust Board

The Board of the TIWLT is pleased to announce that Yolande LaPointe has agreed to join the Board and to assume the responsibilities of Treasurer. She took over control of our financial activities in September.

Before her unfortunate and untimely death, Joy Strachan was the TIWLT Treasurer. She kept a close and responsible eye on things financial for four years. In searching for some one to pick up Joy's mantle, it became evident that people who are prepared and qualified to take on the treasury of a small community organization are rare, too often intimidated by computer software and Canada Revenue Agency procedures. We are fortunate to have found both Joy and now Yolande.

Yolande has lived in the Lansdowne area with her family for many years and has volunteered extensively. Prior to retirement, she held a senior management position in the Township library for 19 years after having served as a volunteer and being hired as a Library-Assistant. She also served in different roles in the local Leeds Thousand Islands Historical Society for 17 years. Since retirement, she has worked on a project for its Archives. She is currently serving on the Lansdowne District Medical Center fundraising group.

If you want something done, ask a busy person. We are delighted that Yolande accepted to add the Land Trust to her list of projects.

Little Island Protected, Big Conservation Opportunity in Thousand Islands

By Sandra Tassel, American Friends of Canadian Land Trusts

Echo Island is small, but its permanent protection can have a major impact on how Thousand Islands Watershed Land Trust accomplishes its objectives, even though Echo Island is on the other side of Ontario. The gift of a conservation easement over that couple of acres in Rainy Lake is the first known instance of an American donor giving an easement over property in Ontario to a U.S. land trust. In our area, where so many landowners are U.S. taxpayers with personal circumstances similar to those of the Echo Island donors, this could open the door to new opportunities for landowners and land trust.



The White family, originally from the Chicago area, donated the easement to American Friends of Canadian Land Trusts (“American Friends”) in a transaction facilitated by the Rainy Lake Conservancy; a small all-volunteer entity like ours. Although American Friends is a U.S. charity, its mission is protecting Canada’s natural heritage. It achieves its objectives through partnerships with Canadian land trusts and Americans who own ecologically significant properties.

The owners of Echo Island, who hail from several eastern states, are committed to keeping their lake retreat in its current, relatively undeveloped condition. Three generations have treasured Echo Island’s forest, shoreline and simple cabin over the last 50 years.

Echo Island is one of nearly two thousand scattered throughout the 345 square mile (890 km²) lake straddling the border of Minnesota and Ontario. Voyageurs National Park is located on the southeastern corner of the lake on the US side of the Lake. The Boundary Waters Canoe Area Wilderness is also within the Rainy Lake watershed as is the Quetico Provincial Park on the Canadian side.

American Friends' website is www.afoclt.org. Feel free to contact Sandra Tassel, Program Coordinator, for more information about American Friends or donating land or an easement in Canada 360-515-7171 or info@afoclt.org .]

Love of a special place and desire to have that place continue to serve their family in future generations motivated the donors to make this pioneering gift. Conservation easements restrict future development, preserving the property and also reducing its market value. The latter outcome reduces Canadian capital gains taxes that are due when property is transferred from one generation to the next, whether the owners are Canadian or American.

This is often a shocking revelation to Americans who are accustomed to the generous exemption from estate taxes in the U.S. which result in only the very wealthiest families owing money. Echo Island's current generation of owners were worried that their heirs would have sufficient cash to pay the Canadian capital gains tax, and if not, could be forced to sell.

U.S. taxpayers can donate an easement (or the title to their land) to a Canadian land trust such as TIWLT to preserve their property while lowering the capital gains tax liability, just as generous Canadians do. However, these gifts may represent a large portion of a property's value, and of a family's net worth.

The Canadian government incentivizes conservation gifts by offering income tax deductions, acknowledging the public benefit of preserving Canada's unique land and waters. These tax deductions can help a Canadian family make a conservation gift in a financially responsible fashion. But Canadian tax benefits aren't any help to American landowners. This reality had long been an obstacle for conservation donations by U.S. taxpayers. That is why American Friends was created and why the White family gave the Echo Island conservation easement to that organization.

As a U.S. charity, contributions to American Friends are deductible against U.S. income, and can also reduce estate taxes if any are owed. At the urging of Canadian conservation advocates, the Canadian government designated American Friends as a "prescribed donee" so that land and easement donations are effectively not subject to capital gains taxes. This special tax status recognizes that successful preservation of a large landscape, particularly one straddling the Canada/U.S. border like both Rainy Lake and Thousand Islands, depends on the generosity of citizens of both countries.



The Rainy Lake Conservancy, members of the White family and American Friends invested years and money to reach this milestone in "cross-border conservation" - the term for donations of ecologically significant Canadian land by US taxpayers. They hope protection of Echo Island will inspire other American landowners to take similar action to preserve Ontario's environments that are treasured by all of us.

Successful AGM Follows Information Workshop for Landowners

The TIWLT held its 2013 Annual General Meeting on 23 September 2014, following a well-received workshop entitled Choices for Land Owners. The workshop featured first hand accounts of land preservation experiences from local landowners, together with information on assistance offered by Environment Canada Eco-Gifts, American Friends of Canadian Land Trusts, and the Ontario Land Trust Alliance including family succession planning and income and capital gains tax implications.

During the AGM, current president Dann Michols reported on some of the highlights in 2013/2014.

The TIWLT currently manages four Conservation Easements. An easement on the Ross property was concluded in early 2013, covering 600 acres of property with significant shoreline around Charleston Lake. We also worked closely with the Mackintoshes to monitor various conditions concerning the marina in their Conservation Easement. The third is the McKillop/Shire easement where ongoing monitoring continued. The fourth easement is on Island 106, owned by Mrs. Laura Bell.

The Poole property was purchased in 2012 with the intent of transferring it to the Charleston Lake Provincial Park. The paperwork for this process turned out to be a little more complicated than expected but the Agreement was finally signed in December 2013 and the property transferred.

The Streets of Bostwick Island approached the Land Trust to discuss a possible donation of land. We have been working through the details with the Streets to determine the process that would be of most benefit to the landowners.

Unfortunately, the TIWLT Cottage Tour was not held in 2013. Negotiations were underway with residents on Grenadier Island to hold the annual event there but arrangements could not be finished in time to enable the necessary promotion.

Throughout 2013, the TIWLT prepared and supported an application to be recognized as a publicly supported organization by the American IRS. As Americans own much of the property in the Watershed, such status will be useful to facilitate land and money donations by Americans.

Dann reflected on the untimely loss one of the Land Trust's Directors and Treasurer in 2013. After a hard battle with cancer, Joy Strachan died in the fall. She was very active in the community and a long-time supporter of the Land Trust and of responsible land stewardship. We miss her.

Dann closed his report by explaining how heavily dependent on both the Cottage Tour and annual memberships the TIWLT is for funding to undertake its work. This funding gives us the base we need to be able to plan, communicate, and execute our preservation activities, be they by land acquisition through purchase or donation, conservation easements, and education of land owners in the Watershed. He observed that cancellation of the Cottage Tour makes us even more dependent on memberships and urged all members to re-subscribe for 2015.

The Next Generation and Conservation Strategies

This is a very interesting, and active period for land trusts in Canada – and certainly the case for the Thousand Islands Watershed Land Trust. This reflects the much discussed generational shift and demographics of the Baby Boomer population.

In this and the coming decade, families with recreational and cottage properties are realizing that they need to think about passing the property to the next generation. Because these are not primary residences, the capital gains triggered by transferring the title of the property can be substantial, and sometimes a barrier to what at first seemed to be a simple transaction. However, where there are larger or ecologically significant properties involved, there may be a role open to landowners with opportunities and options in conservation programs.

Exploring some of these options was the topic of a workshop at the TIWLT recent Annual General Meeting.

Along with an exploration of those options (posted now on the TIWLT.ca site) was a presentation by Bob Street of Bostwick Island. Mr. Street explained his interests in gifting part of his Bostwick Island property to the land trust. In this case, the Streets have lots on the island for cottages. As well, they purchased an 8 acre parcel some years ago that has been kept in a natural state as both a buffer to the cottage lots for privacy, and for walking and enjoying nature in the scenic woodlands. The rich woodlands have a shoreline that has a Locally Significant Wetland designation in the township's Official Plan. That lot certainly qualified as being ecologically significant for the Environment Canada "Ecogifts Program".

Donated to TIWLT, that gift qualifies to be exempt from capital gains tax, and the value of the property donation generates a tax receipt. In this case, that tax receipt will help offset the capital gains tax that will be triggered in the transfer of ownership of the cottage lots to the Street's children. This example is the simplified version of the whole process, but serves to illustrate that there are potentially valuable options in conservation programs that help families with strategies in dealing with transfer of ownership. And in this example, the gifted lot will be kept in its natural state, as the owners always wished, while protecting a rich natural area from what could easily have been more development.

Conservation for Future Generations

...and the Future Generations for Conservation

“Forever” is a long time. The Thousand Islands Watershed Land Trust began as the Canadian Thousand Islands Heritage Conservancy 21 years ago, a generation ago. While some of those forward-think volunteers have since passed away, the properties that they worked to help protect for future generations will exist forever.

Along with the ‘forever’ of the conserved land in gifted properties or with conservation easements held by TIWLT comes the obligation of care and custody. And therefore, it is critical that the next generations of people who value the conservation of nature step in to carry this land legacy into the future.

If this were a recruiting poster, it might read “Uncle TIWLT needs You!”. Actually, the volunteer work to help landowners find conservation options and strategies is incredibly rewarding. You get to work with the nicest folks you could imagine, and accomplish something that involves the word ‘forever’ in the process. There is a terrific Ontario-wide organization of land trusts as support, and a local community that very highly values nature as a key aspect of their sense of place. Write us – call us. Pass along names – yours or someone you know who cares for nature and next generations. There’s always a seat at the table.

UPDATE ON HERBICIDES AND INSECTICIDES

We were surprised to read recently that the U.S. Environmental Protection Agency has approved the use of a chemical that contains 2,4-D. It has given its approval to Dow’s Enlist Duo herbicide, to be used with Dow’s Enlist GMO corn and soybeans. One of the active ingredients in Enlist is 2,4-D. Dow has said that years of research show that the use of the new herbicide is safe, and the U.S. Department of Agriculture predicts that the use of 2,4-D will triple by 2020. The recent decision by the EPA will not go unchallenged, as many physicians and scientists have repeated their warnings that 2,4-D is linked to health problems that include suppressed immune function and greater risk of Parkinson’s disease. (Source: Reuters)

On a different note, the use of neonicotinoids (a chemical that kills insects) will be restricted in Ontario. The Provincial government has announced that it will pass legislation to restrict the use of neonicotinoids by farmers. Bee keepers have complained that the use of this chemical is leading to an increase in bee mortality.

Good News from Revenue Canada

An announcement last summer is good news for those making ecological gifts in Canada. The carry forward-period for tax purposes for ecological gifts to charities and not-for-profits is now ten years. Previously the carry-forward period was set at five years. The legislation received Royal Assent in June, 2014, and applies to gifts of certain ecologically sensitive land after February 10, 2014.

Membership

Your membership is vitally important to us! The fees that you send in annually are needed to pay for essential insurance, and our own membership in the Ontario Land Trust Alliance and Frontenac Arch Biosphere Network. Should there be any "surplus", it is put directly toward our conservation work. The 2015 fee is still only \$40.00 per family.

1. Simply make your cheque payable to the Thousand Islands Watershed Land Trust .or TIWLT, or
 2. Visit our website, go to the bottom of the home page, and make your contribution using our PayPal link.
- Thank you once again for your support.

Memberships provide much needed operational funds to the Land Trust.

Fill out the form below and send your cheque for \$40.00 to

TIWLT, 19 Reynolds Rd., Lansdowne, ON., K0E 1L0. or

Visit our website, go to the bottom of the home page, and make your contribution using our **PayPal link**.

Membership for 2015 \$ _____ (Annual membership per household - \$40.00)

And my donation of \$ _____

Total enclosed \$ _____

Name: _____

Address: _____

email: _____