

Lazy K Ranch

MITIGATION EXPANDS FUTURE  
FOR MADERA RANCH FAMILY

BY ERIN DAVIS, DIRECTOR OF COMMUNICATIONS

The Lazy K Ranch Heritage Preserve is more than just a name, it is a place that is home to a hard working family who built their treasured ranch from the ground up and now has the ability to keep it intact forever. This unique conservation project created a solution which blends together a mitigation preserve for species habitat and the creation of critical vanishing vernal pools and wetlands while forever protecting the ability to continue ranching on the land and providing the opportunity to grow.

Mike and Sherry Knapp, along with their son Larry and daughter Michele, initiated this project to provide for long term sustainability for their ranching operation and to maintain the threatened habitat and species on their property. The Knapps worked with John Vollmar of Vollmar Consulting, recognized for its expertise in all aspects of vernal pool assessment, construction and monitoring, to complete this project. Vollmar Consulting put the mitigation preserve agreement together among the Knapps, the California Rangeland Trust (Rangeland Trust) and a developer, along with the U.S. Fish and Wildlife Service and U.S. Army Corps of Engineers.

To offset the impacts of a 31-acre development project by nearby U.C. Merced, this 93 acre easement, held by the Rangeland Trust, ensures the preservation of seasonal

wetlands and vernal pools, San Joaquin kit fox habitat, and California adult tiger salamander migration and sheltering habitat. Most notably, this mitigation easement is part of the family's larger ranch where the Knapp's plan to enter into additional mitigation easements.

A Family Operation

The allure of the land was more than Mike and Sherry Knapp could take back in 1963 when they bought the home ranch. They were two kids who both went to Fresno State and had their eyes set on a cow/calf operation of their own. Soon after buying the home ranch they got a permit to run their cows on the National Forest between Bass Lake and Yosemite National Park. Started as a cow outfit, Lazy K Ranch soon become known for the great horses they produced. According to Mike Knapp, "Gathering cattle in the Sierras, at elevations up to 6,500 ft., takes a special kind of horse. He has to have a good mind, good legs and a big heart."

In 1967, they bought the pack station at Fish Camp near the south entrance of Yosemite National Park to provide some needed cash flow. Along with supplying horses to the pack station they began to provide horses to nearby Christian summer camps for trail rides. Over time, this part of the business grew to the point were



Mike, Sherry, Larry and Michele Knapp

the Knapps' were supplying the horses to several youth camps in central California.

Unable to find a reliable source of quality horses for the stock operation, Sherry Knapp, the matriarch of Lazy K Ranch's horse program, purchased the ranch's first American Quarter Horse Association (AQHA) stallion in 1975 and then searched the west coast for cow bred mares with good conformation to cross him on. Before long, word spread and friends and neighbors were asking if they could purchase horses right off the ranch. One thing lead to another and in 1982 Lazy K Ranch held its first "Pick A Colt Day Production Sale".

Held the first Saturday in June, about 80 AQHA and American Paint Horse Association registered colts and fillies are sold on a first pick first purchase basis, with buyers coming from across the west coast. In 2008, Lazy K Ranch celebrated the 25th anniversary of "Pick A Colt Day" by putting the sale online and running it in conjunction with the live sale.

It has taken nearly fifty years to piece together the ranch with the help and support of neighbors. "It has been a true blessing to have the friends and neighbors that we do,

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# Director's Message



## TRADITION AND TRUST DRIVE LAND CONSERVATION

BY NITA VAIL, CHIEF EXECUTIVE OFFICER

Today, the image of the American Cowboy lives on in many aspects of our society. Most recently and perhaps surprisingly, cowboys have become a leading force in the conservation movement. Ten years ago, the California Cattlemen's Association passed a resolution to start a statewide land trust. They followed the lead of Colorado, which had formed a similar non-profit organization two years earlier to help ranchers find tools to stay in ranching. I was honored to be part of the founding board of the California Rangeland Trust and, looking back over the past ten years, I am excited about the future. I believe a fundamental shift has occurred due to our efforts and the efforts of others: today agricultural producers are designing their own conservation programs.

Californians share a common bond, our desire for clean scenic open spaces where people and animals not only co-exist but thrive. The Rangeland Trust is an organization built around sound rangeland stewardship, an ethic that runs deep in ranching families and is passed on for generations. Like the title recorded on the ranch, tradition, community, family and culture are values held dearly among ranchers and there is a "code of the West" that determines how business is conducted with one another.

One of our goals is to provide landowners the opportunity to develop partnerships and craft perpetual agreements with peers who understand that along with conservation values, a lifestyle and business must also be maintained. Another goal is to provide our supporters with the opportunity to conserve these beautiful places for the next generation.

But I am in awe at the depth of the impact groups like ours are having in the West. A recent quote I saw by Wendell Barry of the Quivera Coalition reminds me of the magnitude of our work: "As important reason as any to support ranching, farming, irrigating and logging, is our society will need them as teachers, mentors and critics in the years to come."

### Building on Tradition and Trust

Private landowners come to us voluntarily because of the trust we have built with them and within their community. In the beginning we hoped to help a few ranchers who were more comfortable with an agricultural land trust holding and monitoring their conservation

easement. We did not anticipate the floodgate of demand that would emerge once the potential benefits of conservation easements were more thoroughly understood and the Rangeland Trust was established as a viable easement holder. This has come as a result of the great support and patience from the landowners and agencies involved, as well as a highly competent staff and board. We have been very careful to reach landowners through education, not persuasion and we continue to partner with other agencies and land trusts throughout California. Today we hold easements on over 184,000 acres – as of 2007

**One of our goals is to provide landowners the opportunity to develop partnerships and craft perpetual agreements with peers who understand that along with conservation values, a lifestyle and business must also be maintained.**

**one out of every 4.5 acres under conservation easement in California was held by the California Rangeland Trust.**

Conservation easements are not an appropriate business tool for everyone. But, looking back at what motivates landowners to pursue this possibility, it is clear their love of the land and the trust they put in our organization are driving forces. Our first conservation easement donated by John and Patti Garamendi and their family in 1998 fulfilled their desire for an alternative to subdivision in Calaveras County and instead preserve a rich family history. Landowners like Jack Varian pursued a conservation easement to keep the ranch and habitat intact forever, allowing the next generation to sell the ranch but not in separate parcels. Conservation easements and funding have allowed families to address the burdens of prior estate taxes that left debt beyond their repayment capacity and pursue current estate planning options to allow the next generation to continue on the land. Easements were a tool used by Attilio Genasci and J.B. Overstreet to honor past promises made to loved ones that would keep the ranch forever preserved.

So many of us wish we could do something effective to help save landscapes and habitat. Land preservation strategies have evolved in complexity in the past decade. Mitigation easements are an emerging tool that supports ranching and habitat in California while protecting a myriad of endangered species. The Hearst

Corporation choose a "conservation solution" to address political impasses and thus created a precedent-setting accord to allow very limited development, forever protecting the pristine Central California coastline, while honoring the family's 150 year old ranching history in the state. Finally, a new tax credit allowed the San Lucas Ranch in the Santa Ynez Valley to donate the development rights on a key portion of the ranch and permanently protect this landscape from development, while taking advantage of tax opportunities.

### Steering a Sustainable Future

Where do we go from here, with 95 families representing 430,000 acres on our waiting list? We move forward as fast and effectively as we can. Our goal is to build on current strategies, work smart and businesslike in reinforcing a streamlined organization, while ramping up all efforts to be even more responsive and responsible to landowners. Everyday we seek innovative ways to secure funding for those conservation opportunities.

Bolstering our management team with our new Chief Operating Officer Ben Higgins will help us drive implementation further and faster. Ben will run the day to day operations and support legislative and regulatory functions. We will be building new relationships, many of whom already see the value of our work and its impact on California's landscape. I will continue to provide strategic oversight within the organization while meeting with landowners, community funders and donors throughout the state to expand awareness about our organization and our goals. John Vosburgh will assume the role of Vice President of Development and oversee the management of our fund raising programs related to annual giving, private foundation grants and estate planning.

With our donors and landowners, the Rangeland Trust provides one vital solution in the mosaic of landscape options needed to keep our quality of life and traditions strong in California. According to the US Fish and Wildlife Service, over 70 percent of the wildlife that thrives in the West lives on private lands. The government cannot afford to manage or buy all the land that needs protecting, nor is that an ideal solution when lands are agriculturally productive. When you support us you are investing in California and preserving the traditional values that are being embraced more than ever in these changing times.

As we grow, it is my dream that someday everyone will recognize the values ranchers bring to our communities, our culture and our environment and one day a popular bumper sticker will read, "If you care about conservation thank a rancher."



CALIFORNIA  
RANGELAND  
*Trust*

## 2008 - CELEBRATING TEN YEARS OF CONSERVATION

The Rangeland Trust celebrated our ten-year anniversary in 2008 and the strides made are dedicated to the cowboy conservationists and supporters of the organization that have made this success possible. Included in the organization's total rangeland acres conserved of 184,317, there are 30 family ranches which spread across 19 counties. This year the Rangeland Trust counts many accomplishments: the presentation of the inaugural Conservationist of the Year Award to Lt. Governor John Garamendi; the application of millions of dollars in grant funding for ranch projects; numerous outreach and fundraising events; countless presentations by board and staff to broad audiences; and improvements to website and donor database technology, just to name a few.

These successes culminated in 2008 with three projects closing: the Cook Ranch, San Joaquin County, the Ecker Ranch, Madera County and the Lazy K Ranch in Madera and Merced Counties. These family-owned and operated ranches total 3,408 acres, portions of which contain critical habitat for endangered species as well as some of California's most scenic viewsheds.

Rangeland conservation takes collaboration and partnerships to succeed. The Rangeland Trust has been honored to work with the following partners and funders on 2008 conservation easement agreements: California ranching families, Rangeland Trust donors, Wildlife Conservation Board, USDA Farm and Ranchland Protection Program through the Natural Resource Conservation Service, U.S. Fish and Wildlife Service, California Department of Fish and Game, Vollmar Consulting, U.S. Army Corps of Engineers.

The board of directors and staff of the California Rangeland Trust would like to thank all the landowners who have placed conservation easements on their land, forever protecting it for future generations. These landscapes are the fabric of rural communities but also the foundation of healthy city resources where clean water flows and where all can breathe cleaner air because of these open and undeveloped landscapes. Rangeland is the most threatened habitat in California and with the closed projects in 2008 we are 3,408 acres closer to conserving all the acreage in our pending projects. Won't you join us in the effort to protect California's precious rangelands in 2009 and beyond. Please see our complete 2008 Annual Report on our website, [www.rangelandtrust.org](http://www.rangelandtrust.org)

## RANGELAND TRUST BOLSTERS STAFF TO MEET DEMAND



Ben Higgins,  
CRT Chief Operating Officer

The California Rangeland Trust is pleased to announce a new management structure that will grow the organization's ability to meet increasing demand by California ranchers to conserve properties through conservation easements and protect more ranchland throughout the state.

Rangeland Trust Executive Director Nita Vail, will assume the role of Chief Executive Officer (CEO), providing strategic oversight within the organization and expanding regional outreach and relationships with community funders and donors.

Additionally Ben Higgins, has been hired as Chief Operating Officer, and will oversee day-to-day operations and provide legislative and regulatory support. Most recently serving as the State Director of USDA Rural Development California, Higgins also held the position of Executive Vice President of the California Cattlemen's Association from 2002 to 2006. Higgins brings to the Rangeland Trust an understanding of economic, land-use and regulatory challenges faced by ranchers; a track record of working with federal and state policymakers; and management acumen honed by leadership of a federal agency.

Current Interim-Managing Director, John Vosburgh, has been appointed to the post of Vice President of Development where he will oversee fundraising efforts and engage staff and volunteers in creating more resources for the Rangeland Trust. "Our new management structure is a strategic step forward for our organization and will add greatly to the long term viability of agriculture and rangeland habitat in California," said Rangeland Trust Chair Devere Dressler.

"By consolidating management functions, focusing existing resources on fundraising, and through a number of grants we're able to hire a Chief Operating Officer and create a CEO role while staying well within budgetary parameters," said Vice Chair Steve McDonald. In just the last two years demand from ranchers has exploded with an additional 63,000 acres added to the Rangeland Trust's pending project list. Private landowners have voluntarily come to the organization because of the trust they have built within their community. In the Rangeland Trust's 10-year history, the organization has successfully worked with ranchers to protect 184,317 acres of rangeland making them the largest statewide land trust. Vail added, "I have watched us grow beyond our wildest dreams. Developing our management team ushers in a new chapter of growth which translates into more ranches saved."

Look for Ben's director's message in the Spring/Summer edition of the Rangeland Trust Newsletter. Ben welcomes your calls and emails, reach him at: 916-444-2096 or [bhiggins@rangelandtrust.org](mailto:bhiggins@rangelandtrust.org).



## EASEMENTS: PROTECTING RANCHES AND BIRDS

BY ERIN DAVIS, DIRECTOR OF COMMUNICATIONS, CALIFORNIA RANGELAND TRUST,  
ED PANDOLFINO, CONSERVATION CHAIR, SIERRA FOOTHILLS AUDUBON SOCIETY



Adult male Northern Harrier holding a meadow vole it has just caught.

PHOTO CREDIT: JACK FERRANTE

It is estimated that only 36 percent of the Great Central Valley's original grassland or rangeland areas remain. The under-appreciated fact is that California's rangelands support more bird species of conservation concern than any other California habitat. Combine that with accelerating conversion of grasslands to urban or more intense agricultural uses and one can make a solid argument that our rangelands are the most crucial conservation priority in the state.

Most of those involved with conservation of native wildlife and plants in California recognize that, in many of our grasslands, grazing is required to maintain habitat quality. In particular, the rangelands of the Central Valley (Valley) and its foothills and the interior coast ranges quickly become dominated by aggressive invasive species like star thistle and medusa head if grazing is removed. With over 86 percent of the state's rangeland privately owned and managed by ranching families it becomes clear that protecting one protects the other.

While grassland birds are declining more rapidly than any other group of birds, ranches are also facing decline. Pressure from developers because of their desirable locales, conversion to other uses, regulatory burdens, and the challenges to rural economy infrastructure makes ranching profitability unstable and even more difficult to pass onto the next generation. Permanent protection of these working landscapes is crucial to the viability of ranching and grassland bird populations as California continues to grow.

### The Tool

Conservation easements are a win-win tool for birds, ranchers, rural communities, and the general public. These permanent conservation agreements between the landowner and an approved entity, such as the California Rangeland Trust (Rangeland Trust), remove most if not all the development rights. This eliminates the threat to convert to other uses or to sell outright and keeps the habitat a working landscape full of quality grasslands and healthy bird populations – not to mention greater potential for a viable ranching operation to pass onto the next generation.

There are many conservation organizations and agencies in California doing important and critical work with habitat and species of concern. Without their support as well as their partnership in a number of the Rangeland Trust's projects the success of the organization would not be at the level it is today. But often times, these groups use fee title acquisition as opposed to a conservation easement agreements. A key difference in these two permanent protection tools is who owns the land after the transaction takes place and who pays for the stewardship of the land.

In fee title acquisition transactions the organization, group, or agency takes ownership of the land and often (especially in the latter example) uses state or federal dollars to manage that land. With a conservation easement agreement the private landowner remains on his or her land and continues to assume all costs associated with maintaining that property for the conservation values determined by the easement agreement. Additionally, land which remains in private ownership with a conservation easement attached stays on the tax rolls and continues to contribute to the local economy.

### The Inventory – Birds and Acres

Winter is probably the easiest time to demonstrate just how important rangelands are for birds. Raptors from all over North America migrate to California's grasslands for the winter. No place on the continent supports the number and variety of hawks that we have in winter. Seeing 10 to 12 species of hawks and owls in a single day is not at all unusual.

Red-tailed Hawks and American Kestrels, birds that live here year-round, see their numbers swell with visitors from further north. Rough-legged Hawks, close cousins of the Red-tail, leave their breeding grounds inside the Arctic Circle to spend the winter hunting rodents in our rangelands. Ferruginous Hawks, arguably one of the most beautiful raptors in North America, fly from the Great Plains to winter in California.

Swift and powerful Prairie Falcons arrive to terrorize small birds and rodents alike in our open grasslands. You can sometimes detect the approach of a Golden Eagle by listening for the string of panic calls from the ground squirrels. All day, Northern Harriers cruise low over the ground hoping to surprise a mouse and, as the daylight fades, Short-eared Owls take over from the harriers using the same hunting style in the increasing darkness.

In spring and summer, the birdlife may be less conspicuous, but just as vibrant. Western Meadowlarks sing enthusiastically from any perch they can find. The handsome black, gray and white Loggerhead Shrike will go after grasshoppers, lizards and even songbirds nearly as large as itself to feed a hungry brood.

Western Kingbirds, having flown to the Valley from their wintering grounds in Mexico, perch along fencelines showing off their lemon-yellow bellies and sallying out to grab insects on the fly. Burrowing Owls comically bob up and down as they stand next to an old ground squirrel burrow. A White-tailed Kite hovers in place waiting to plunge feet first on an unsuspecting mouse.

Recent reviews of more than three decades of monitoring studies in the breeding season and

in winter show that more grassland-dependent bird species are in serious decline than any other group. Even abundant and widespread species like Western Meadowlarks and American Kestrels show alarming long-term downward population trends. Over this period we have lost hundreds of thousands of acres of California rangeland to vineyards, orchards and housing developments and the birds that use this habitat are feeling the impact.

The importance of cattle ranching to protecting this habitat goes beyond simply preventing conversion to other uses. In general, when grazers are taken off the land, grassland birds suffer. Bird species of particular conservation concern like Burrowing Owls, Mountain Plovers and Horned Larks, all prefer habitats where the grasses are kept very short. Wintering raptors cannot find their rodent prey in lands dominated by thick mats of invasive grasses or dense stands of thistle. Much recent research also supports the value of grazing to maintaining many native plant species and, no doubt, these plants species are important to maintenance of the quality of the habitat for many bird species, as well.

Most of California's characteristic grassland birds are still common. They persist not in spite of, but largely because of ranching. As more and more of this ranchland is converted to sprawling housing developments or acres and acres of vineyards, we will see many of these species become uncommon. The simple fact is that the only practical way California will retain sufficient habitat for the rangeland wildlife of this state is through the maintenance of viable cattle ranching operations.

The California Rangeland Trust has 94 landowners standing by who have committed to the permanent protection of their land. They represent an astonishing 430,000 acres of rangeland. Think of what protecting these ranches could mean to the birds who call these places home.

### The Call – of the birds and to action

Since the inception of the California Rangeland Trust in 1998 they have worked with ranchers to protect 184,317 acres of rangeland throughout California. It is the trust they have built within the landowner community that has brought such lasting benefits to these precious landscapes, species and ultimately the public.

With increased financial support from all those who treasure the land, birds and other wildlife species who need them for survival, the Rangeland Trust can help these ranchers protect their land in perpetuity. If we can protect these lands we can protect all the inherent values of these special and vanishing places, so our children and grandchildren can hear the call of a hawk in the midday sky tomorrow like we can today.

## DOING WELL BY DOING GOOD: CONSERVATION EASEMENTS, 1031 EXCHANGE

BY ADAM SKARSGARD, ESQ., CPA, © 2009

Section 1031 of the Internal Revenue Code allows savvy landowners and real estate investors to defer taxes while strategically exchanging properties. The popular "1031 Exchange" has been called the greatest wealth building tool for landowners as it allows them to continuously unleash earned equity by exchanging into larger or better positioned properties. Simply stated, a 1031 Exchange investor receives an interest free loan from the government, which may never require repayment, as long as the investor continues to invest in real estate.

Conservation easements are voluntary, legally binding restrictions on the use of land for agricultural, conservation, environmental, or historic purposes. A proper conservation easement requires a landowner to contract with a government agency or qualified land trust in creating a perpetual binding restriction on land usage. One example of such a land trust is California Rangeland Trust ([www.rangelandtrust.org](http://www.rangelandtrust.org)). The use restrictions in a conservation easement generally prohibit or significantly curtail commercial, industrial or residential development from occurring on the land. Landowners who voluntarily restrict the use of their land do so knowing that the permanent conservation of their land will not only preserve their land for their family's future, but also benefit society through preservation of open space and environmentally sensitive lands.

It would seem that 1031 Exchange and conservation easements do not have much in common. The former tool is for owners looking to build their personal wealth, while the latter is traditionally reserved for owners more interested in creating a lasting public benefit. There are, however, ways to structure a conservation easement so that the landowner gains some economic benefit, while still conserving the property in a socially responsible manner.

### Structuring Conservation Easements

The first structure for conservation easements is donation. In such a structure, the landowner does not receive payment in exchange for the easement. However, Section 170 of the Internal Revenue Code does allow for a charitable tax deduction equal to the appraised value of the rights donated, provided the easement is established according to specific guidelines. Section 1031 exchanges do not apply to donated easements, as there is no income to shelter.

Alternatively, instead of making a donation, a landowner can sell the conservation easement to the government or land trust. With sales, the parties agree what the fair value of the easement is by estimating the value of the land without the restrictions and deducting the

estimated value of the land with the restrictions, the difference being the value of the restrictions. At California Rangeland Trust, they will generally obtain an appraisal prior to the sale to assist with determining fair value of the easement.

Finally, a landowner can do a partial donation and partial sale, also known as a bargain sale. With bargain sales, the value of the restriction is determined and the sale price is something less than the estimated value. The bargain sale landowner receives cash for the sale portion and a charitable deduction for the donation portion of the transaction.

For landowners who choose either a sale or a bargain sale, a taxable gain often will be realized if the value received, whether full or partial, is more than the adjusted tax basis of the property. Determining the adjusted tax basis for the easement is very technical and should be done with the assistance of a CPA or tax attorney. For land that has been owned for many years, it is a near certainty that gain will be realized in sales and is very likely in bargain sales. If there is a gain from the sale or the bargain sale, a tax will be owed. However, the tax can be deferred by performing a 1031 Exchange.

### Combining Conservation Easements and 1031 Exchange

Most real estate investors think of 1031 Exchanges involving commercial or rental property. However, all real property held for investment or use in a business can be exchanged for any other real property held for investment or business use. For example, funds received for a conservation easement on a ranch can be exchanged tax free into an income producing commercial building in town. Real property law in every state considers easements to be a part of the real property. By selling an easement, an investor is selling real property, even if the underlying land the easement pertains to is still owned by the investor. Simply stated, a conservation easement can be exchanged for any other type of real property, while still qualifying for tax deferral under Section 1031.

### Example

Parcel A is a 20 acre plot of land near the coast in California. Parcel A has been owned by the Smith family for 3 generations and has always been vacant land, with natural vegetation growing in abundance. Recently, local developers have been inquiring with the Smiths and their neighbors about buying land to develop a golf community. The Smiths and some of their neighbors agree that the land should not be used for commercial development and instead should be kept in grazing to preserve its natural beauty

for future generations. The Smiths approached the California Rangeland Trust to inquire about establishing a conservation easement for their Parcel A. The Rangeland Trust performed an appraisal and deemed the value of Parcel A's conservation easement to be \$5 million. However, given the finances of the Land Trust, they were only able to offer the Smiths \$3 million to buy the conservation easement. The Smiths agreed to the structure and went forward with the bargain sale of the conservation easement of Parcel A to the Land Trust.

Given the many generations of ownership, the Smiths had very little tax basis in Parcel A and thus were faced with a taxable gain of almost \$3 million for the sale portion and a charitable deduction of \$2 million for the bargain portion. Instead of paying the taxes, the Smiths decided to do a 1031 Exchange and purchase a \$3 million apartment complex near their family home. The end result of the conservation easement and 1031 Exchange is that the Smiths continue to own Parcel A, they have conserved the natural state of the property forever, they have acquired a \$3 million income generating investment property, and they have a \$2 million charitable deduction since they sold the easement for less than its appraised value. The result is that the family is financially more secure and our agricultural resources, natural habitat and open vistas are conserved for the enduring benefit of all

This article was prepared for informational purposes only and should not be relied upon as legal or accounting advice. All 1031 Exchanges and conservation easements should be completed with the guidance of independent tax counsel.

*Adam Skarsgard is a California attorney and CPA and co-owner of Asset Exchange Company, a 1031 Exchange Qualified Intermediary headquartered in San Francisco, CA. For questions relating to this article, please contact Adam at (877) 471-1031 or [Adam@ax1031.com](mailto:Adam@ax1031.com)*

PHOTO: JIM CUNNINGHAM





## AVENALES CLUB RAFFLE BENEFITS RANGELAND

Get your tickets for the Avenales Sportsman's Club 7th Annual Tule Bull Elk drawing. Each year the Avenales Sportsman's Club donates a portion of the proceeds from the raffle to the Rangeland Trust. Last year their donation was \$4,600! Support the hunt club and support the California Rangeland Trust. Each ticket is \$100. For more information or to purchase tickets please call Larry Smith, (805) 461-3534. Drawing is April 4th, need not be present to win. 1st prize: Guaranteed Bull Elk Hunt, fully guided; 2nd Prize: Weatherby Rifle; 3rd Prize: Remington Shotgun; 4th Prize: Steiner Binoculars.

## FISCAL CRISIS DELAYS CONSERVATION PROJECTS

On December 17th, 2008 California's fiscal crisis compelled the Department of Finance to suspend payment on environmental projects bond-funded by voter-approved ballot propositions, threatening a number of California Rangeland Trust easements scheduled to close in 2009. Despite the recent passage of a 2009-2010 state budget, to date bond sales have not resumed and it remains uncertain as to when pending conservation projects will receive their allocated funding. In response, the Rangeland Trust is working closely with allied organizations to showcase the very real impact these delays pose to voluntary conservation projects, securing commitments that approved projects will indeed receive obligated funds, and exploring opportunities for private funding of certain easements. Expect further news on this important issue in the near future.

## RANGELAND TRUST WORKS TO EXTEND TAX INCENTIVES

The 2008 Farm Bill extended tax incentives enabling family farmers and ranchers to receive a significant tax benefit for the donation of conservation easements to qualified land trusts – including California Rangeland Trust. This provision of law raises a donor's maximum deduction for donating a conservation easement from 30 percent of their adjusted gross income (AGI) to 50 percent, allows agriculturalists to deduct up to 100 percent of their AGI, and increases the number of years over which a donor can take deductions from six years to sixteen years. Unfortunately, this provision is slated to expire at the end of 2009, and further extensions may be imperiled by expanding federal deficits. Nevertheless, extending or making permanent these federal tax incentives is the highest legislative priority for the Rangeland Trust in 2009, and we've been in regular contact with friends and partners who have been enlisted to make our case to Washington D.C. If you would like to be a part of this effort, please contact the Rangeland Trust office at (916) 444-2096.

### LAZY K RANCH FROM PAGE 1

these folks have given us a lot of opportunity and we are so thankful," said Sherry.

No matter the size of the ranch over the years, the children were always expected to work. When son Larry was four years old he spent five days on horse back to push 200 cows and 25 head of horses from Chowchilla to Fish Camp along with his family and a few neighbors. "It was different back then, in 1970, there was much less development than today. We even pushed those cows across HWY 41," told Larry.

Even with all the activity at the pack station and their annual horse sale the Lazy K Ranch is primarily a cattle operation. They use rotational grazing with both the cattle and the horses in a sort-of checker board fashion with horses following cattle and vice versa. This grazing pattern helps with the parasite load as the animals are susceptible to different bugs and the constant rotating breaks the life cycle of most parasites. As each are also different grazers and prefer different grasses they compliment one another and leave behind healthy pastures in their wake. Some of the pastures on the ranch have been grazed this way for over 30 years.

### Family, Community, Land

The name, Lazy K Ranch Heritage Preserve, was chosen by the family to emphasize their desire to preserve the land and the heritage that is part of the ranching operation they have built. "Our motivation was to protect our land and grow it while also being able to pass it down to our next generations. Our passion for this land runs deep and the community of friends and neighbors around us deserve much credit for helping us get to where we are," said Mike.

The family maintains that fragmentation and parcelization are two of their biggest threats. "Chowchilla used to be far away and now it seems we are right on the edge of town. Development is reaching all our ranch borders, soon we could be completely surrounded by new homes," said Sherry.

The Knapp family is grateful for the lifestyle the land has provided them. Mike reflected, "It is important to us to do something in our lifetime to preserve this open space. An easement was the tool to see this place stay intact and out live us all."

### The State of the State

California's population is growing and never more aggressively than in the Great Central Valley (Valley) where home prices are still relatively moderate and the lifestyle and weather desirable. The Lazy K Ranch sits in the heart of the Valley stretching across both Madera and Merced counties. As Valley population grows development and encroachment threaten open space, habitat and the ranches that host them.

Mitigation easements are becoming increasingly necessary as this development spreads across the land and has impacts on wildlife and habitat. Easements can be used as a tool by ranchers to gain permanent land protection and additional income to grow their operation or expand their ranch boundaries thus maintaining more of the open and productive spaces in California. In addition to protecting the ranching land base, mitigation easements are paid for by the developer rather than the state or federal government or private donors.



Larry and Michele Knapp, along with third generation Noah, move cows in the mountains near one of their cow camps.

# Thank You to Our Supporters

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*We have made every effort to be accurate with this listing. If there are errors or omissions, please accept our apologies and contact John Vosburgh at 916-444-2096 so that we may correct our records.*

## TRIBUTE GIFT CARDS

The California Rangeland Trust wants to help you honor someone of your choosing with a donation made in their name through our special tribute gift cards. You can order your cards by filling out our online form in the California Rangeland Trust store. Make a gift in honor of a family member or friends, an organization or company and we will send them a beautiful, original greeting card informing them that a donation has been made in their name which supports the conservation of California's precious rangeland.

Please visit the Donations page at [www.rangelandtrust.org](http://www.rangelandtrust.org) for further details or call our Fund Development office at (916) 444-2096. These days we all need unique gift ideas for those important to us and this gift makes a lasting tribute to your person(s) of honor as well as protecting threatened rangeland throughout California.





## SAVE THE DATE: JUNE 6TH

### A Western Affair

Save the date on Saturday, June 6, 2009, and plan to attend the eighth annual "A Western Affair" to benefit the California Rangeland Trust. This year's gala event will be held at Rancho Santa Barbara in the Santa Ynez Valley, thanks to the generosity of ranch owners Lee and Julia Carr. The evening will be enjoyed at the Ranch headquarters, originally the headquarters of the historic Rancho San Fernando Rey.

This year, plans include a pre-event cocktail party for sponsors and special guests, as well as the announcement of the second annual Conservationist of the Year Award. As in years past, the evening will include a silent and live auction offering many exclusive Western items and one-of-a-kind opportunities.

For more information, please contact the California Rangeland Trust at (916) 444-2096 or visit [www.rangelandtrust.org](http://www.rangelandtrust.org). Online ticket purchases will be available in April for sponsorship opportunities please call John Vosburgh in the Rangeland Trust office. Also, watch for our ad in the May issue of the *California Cattleman Magazine*.



Rancho Santa Barbara in the Santa Ynez Valley is the location for the 2009 "A Western Affair" gala.

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