



CONSERVATION

# Law helps preserve properties

Brant Ward / The Chronicle

Andy Beckstoffer smiles as he walks through To Kalon Vineyard. He has donated the 90-acre site as a conservation easement.

By Drew Joseph | Chronicle Staff Writer

Andy Beckstoffer, the founder of Napa Valley's Beckstoffer Vineyards, wanted to donate a piece of his land to conservation, but it didn't make sense financially — his property would bring in much more if he sold it than left it to grow grapes forever.

But when Congress passed legislation in 2006 to bolster tax deductions to those who donated conservation easements, Beckstoffer set aside the 90-acre To Kalon Vineyard in Rutherford.

"The tax incentive changed it all," Beckstoffer said recently.

Now Rep. Mike Thompson, D-St. Helena, is pushing to make permanent his temporary legislation that has prompted Beckstoffer and hundreds of other landowners across the nation to protect property from development.

The legislation, which expires at year's end, has helped increase conservation easements by 50 percent nationwide, according to Thompson.

But the bill is most important in the Bay Area, he said, because of the region's rapid development rate and sky-high land values.

"One of the problems we have is that development pressures become so strong that it's hard for folks to keep farming or to keep open space (with) the lure of a lot of money," Thompson said.

The deductions are targeted at moderate-income landowners like Beckstoffer, said Russell Shay, the director of public policy at the Land Trust Alliance, a national conservation group in Washington. This is especially true in the Bay Area, where land is worth more than the income it produces.

With a conservation easement, the land can never be developed, even if it is sold to a new owner. The price of the land generally drops because the land loses its development potential.

But the tax deductions — up to 100 percent of income earned on land donated to conservation — help cover the loss of development rights while protecting the region's land, agriculture, water and wildlife, said Bettina Ring, executive director of the Bay Area Open Space Council, a coalition of land trusts, government agencies and environmental groups.

Dave and Marian Moffitt of Yountville, who donated a 60-acre parcel a year ago from the property on which they live, said they would not have made the gift without the tax breaks.

Now, if they sell their property, "No one can come cut down all the trees and put up a mega-mansion," Marian Moffitt said.

The legislation has 261 co-

**"Development pressures become so strong that it's hard for folks to keep farming or to keep open space."**

U.S. Rep. Mike Thompson



Rep. Mike Thompson, D-St. Helena, shown in 2008, hopes to make permanent the legislation encouraging donations.



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**To Kalon Vineyard, off Highway 29 across the street from the Oakville Grocery, is being preserved thanks to the conservation easement law approved by Congress in 2006.**

sponsors, including the majority of representatives of both parties, but its main challenge might be getting it heard given Congress' focus on health care reform.

"Health care has sucked the oxygen out of this building," Thompson said. "That's all anybody's paying attention to." He added that if he can't get the bill passed, he will extend the temporary tax incentives.

Thompson said the bill is receiving broad support because it will help the entire country.

"If you own 35,000 acres in Wyoming, that's not something to sneeze at," Thompson

said. "That can add up."

The legislation will ensure that land devoted to agriculture will continue to be farmed if it is donated.

Thompson has also proposed an estate tax bill that would eliminate inheritance taxes for farming and ranch lands if the next generation continues that work.

California's economic woes add to the necessity of the tax incentives, said Erin Davis, director of communications at the California Rangeland Trust, a ranchers' group devoted to conservation.

The state has frozen funding for local governments and

land trusts to buy easements, increasing the significance of donated land.

Beckstoffer, meanwhile, continues to donate land easements — preserving a total of 240 acres in working vineyards with an additional 90 acres planned for this year. He knows he could have sold the land for much more than the tax benefits provide.

"I'm sure some spouse of some great-grandchild is going to hate me," Beckstoffer said. "We're going to be growing grapes on that land forever."

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