

# Tax break spawns boom in land conservation

Local trust working toward 2,010 acres by end of 2010

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The Central Indiana Land Trust anticipates bringing nearly 800 acres valuable to conservation under its protection this year, thanks to a generous tax incentive for property owners.

Deals are in progress with six families, including one that owns a large swath of forest in southern Johnson County. Another owns more than 50 acres next to Eagle Creek Park.

The land trust, an Indianapolis-based not-for-profit, needs to close the deals this year, before the tax incentive expires.

"We've never been working on so many projects all at once," Conservation Director Cliff Chapman said.

Under federal tax law, landowners may use a conservation donation deduction to wipe out 50 percent of their gross income on their personal income tax returns for as many as 15 years. That's an expansion of the law before 2007, which allowed a 30-percent deduction for only five years. The expanded law also allows working farmers to deduct 100 percent of their income.

The larger tax break prompted at least one family to pull the trigger on an agreement it had contemplated for five years.

"It's a pretty big decision that you're going to give up all of your development rights on your property," said Tom Hougham, who, along with his brother, Bill Hougham, is preparing to sign over 285 acres of forest in southern Johnson County.

The Hougham land is south of Lamb Lake near the Brown County line, and it's part of the largest continuous forest in Johnson County.

The Houghams grew up in Broad Ripple, where their father, Robert, was a high school teacher. They spent summers on the lake their father helped develop. Robert Hougham and his relatives had acquired hundreds of acres, starting in the 1930s.

With his elderly parents in assisted living, Tom Hougham, 57, said he and his wife wanted to protect the land, but weren't sure how they could afford to do so.

"Taxes get pretty high when you're owning property, especially prime property," he said.

Considering land in the area sells for \$5,000 per acre, or more, a 285-acre conservation easement will easily equate to a six-figure tax break, Hougham said. If the development rights account for 60 percent of the market value, the tax break would be worth \$855,000.

The Houghams' conservation easement also will allow the family to selectively harvest some of their valuable hardwood trees for additional income.

Conservation easements, or agreements, don't mean the land will be open to the public. The agreements are designed to shelter plants and wildlife, and they're the main tool the Central Indiana Land Trust will use as it tries to reach its goal of protecting 2,010 acres by the end of 2010.

If all the agreements in the works now are signed, the trust will have protected 1,560 acres since 2007.

The land trust expects to close on five other agreements this year. They are:

- 100 acres on Sugar Creek in Boone

County

- 90 acres on Cicero Creek in Tipton County

- 50 acres of forest on Sugar Creek in Johnson County

- 56 acres on Fishback Creek in Marion County, next to Eagle Creek Park

- 200 acres on the White River in Madison County

Some of the agreements have been in the works since 2008, but negotiations with natural gas companies over pipeline rights-of-way slowed the process, Chap-

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*Cliff Chapman, Conservation director*

man said. Nevertheless, he said the land trust's three-member staff and volunteer board could handle additional agreements before the tax incentive expires. Last year, a Johnson County landowner under intense development pressure turned to the land trust to protect 24 acres near Interstate 65 and Whiteland Road, and had the ease-

ment recorded on Dec. 31, 2008.

Paula Baldwin said her parents, Pete and Jane Baldwin, felt that same sense of urgency in 2007 when they drew up a conservation easement for their 30 acres overlooking White River.

The meandering stretch of woods between farm fields and the river creates a haven for migrating birds. It also attracted countless offers over the years, Paula Baldwin said.

Baldwin said the tax break wasn't a factor for her father.

"He hoped his work would spur some other landowners on that stretch of the river to step up."•