



# PECONIC LAND TRUST NEWSLETTER

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Photo: Jeff Heatley

## Trust Receives Largest Conservation Gift in its History

In one of the most significant conservation gifts in Long Island history, Louis Bacon permanently protected the 540-acre Cow Neck Farm in the Town of Southampton against major development with the donation of a conservation easement to the Peconic Land Trust. The largest conservation gift received by the Trust in its 17-year history, this easement limits development to no more than 5 new single-family homes. Cow Neck Farm is zoned for 3-acre residential lots and, under local zoning, major residential development could have occurred on the property. However, the Cow Neck easement significantly limits the development potential and

protects the property in perpetuity. Cow Neck has many pristine natural areas including undisturbed tidal and freshwater wetlands. An important component of the nationally recognized Peconic Bay Estuary, Cow Neck is visible from North Sea Road, Little Sebonac Creek, West Neck Creek, Scallop Pond, Little Peconic Bay, and Great Peconic Bay.

One of the largest privately owned, open space parcels on Long Island, Cow Neck was carefully assembled by H.H. "Harry" Rogers II, chief financial officer of Standard Oil in the 1920s. Later, the estate, also known as the "Port of Missing Men," comprised 1,200 acres and was used by his

## Trust Receives...(continued from front cover)

heir, Peter Salm, and his family as a game preserve for hunting and recreational activities. In addition, the property has a long agricultural history that includes a dairy farm that was operational until the mid-1980s. Mr. Bacon's protection of Cow Neck is consistent with the sensitive and devoted stewardship of the property by the Salm family who preserved the ecological integrity of this significant peninsula.

Also in December 2000, Mr. Bacon donated a conservation easement to the Peconic Land Trust on a parcel across from Cow Neck Farm known as Gerrymander, a 30-acre tract with 799 feet of frontage on Little Sebonac Creek. This easement limits development to no more than four single-family residences on a small portion of the Gerrymander property that is not environmentally significant. The property includes coastal salt marsh and oak uplands as well as the salt marsh loosestrife plant, which is listed by New York State as endangered.

According to Trust President, John Halsey, "Mr. Bacon's extraordinary gift will permanently protect this beautiful property, preserving its natural beauty and ecological diversity for all time. To date, Mr. Bacon has protected over 1,000 acres of environmentally significant land on the East End. We know of no other private landowner on Long Island who has protected more land against the potential of full-scale development. We are gratified that we have been able to assist Mr. Bacon in carrying out his conservation goals for the area. The Southampton community, the entire East End and, indeed, all of Long Island, will benefit from his foresight and understanding of the critical need to protect land."

"Through his protection of Cow Neck Farm, Gerrymander, and Robins Island, Mr. Bacon has set an important example for other landowners," Halsey continues. "This donation illustrates the power of private, voluntary conservation, all the more reason for us to create more incentives that encourage and reward others who choose to protect all or a part of their land. Given the highly appreciated real estate values on Eastern Long Island, we need to recognize the limits of public acquisition, and complement it with practical and pragmatic conservation strategies that recognize landowners as allies, not enemies. It is essential that other landowners follow Mr. Bacon's lead if we are to retain and preserve what is left of our natural heritage on Long Island. Louis Bacon and his family have illustrated that the value of land is not always measured by how many houses can be built on it, but by how few. They have voluntarily assured the ecological integrity of Cow Neck and its environs for future generations, while retaining their right to use it, but not abuse it. We are honored to have played a part in the conservation of Cow Neck and we hope that others will follow this example."



*A view of Robins Island in the far distance.*



*An oak tree in Cow Neck's maritime forest where prickly pear, cedars and oaks co-exist in a unique habitat.*



*Open spaces are interspersed with woodland.*



*A view of one of Cow Neck's numerous ponds.*



*A larger pond provides habitat and a stopover for migrating waterfowl.*

# 2000 CONSERVATION ACCOMPLISHMENTS



## Village of Sag Harbor, Southampton Town, Suffolk County Acquisition - Cilli Farm

The Village of Sag Harbor, the Town of Southampton, and Suffolk County protected a 9-acre parcel in the Village of Sag Harbor through a joint acquisition. The Cilli Farm is one of the last remaining large open spaces in the Village of Sag Harbor and was actively farmed until recently. This acquisition ensures that this important scenic parcel will remain without commercial development. Appropriate future use will be determined by the Village of Sag Harbor.

## Red Dirt Preserve - Amagansett

Drs. Robert Abel and Helen Carter protected two wooded parcels totaling over 10 acres located in the Town's Water Recharge Area and adjacent to a Suffolk County Water Authority well field site. The Trust funded the purchase with a donation from an anonymous donor and the proceeds from the Town's purchase of a conservation easement on both lots. The acquisition of these heavily wooded parcels enhances water protection efforts in the Springs community and provides an important link in the existing recreational trail system found in the community.

## Town of Riverhead PDR - Schneider Vineyards

The Town of Riverhead purchased the development rights on 17 acres of farmland on Roanoke Avenue in Riverhead that will be planted as a vineyard. The parcel is adjacent to other Suffolk County protected land and is part of a large block of actively productive farmland.

## Town of Riverhead PDR - Krudop

In a bargain sale transaction, the Town of Riverhead purchased the development rights on a 34-acre parcel in the Northville area of Riverhead. This property is part of the North Fork Preserve located on the north side of Sound Avenue. A similar property located along the Preserve's western boundary was previously protected by a sale of development rights to Suffolk County. The property is currently cultivated with field corn and grains.

## Town of Riverhead PDR - Caracciola

The Town of Riverhead purchased the development rights on 24+ acres of prime farmland in Riverhead. The property supports the active cultivation of nursery stock and is an integral part of a larger block of farmland that stretches south from Sound Avenue to the Main Road and east from Manor Lane to Herricks Lane. The preservation of this parcel protects prime agricultural soils and preserves the area's scenic vistas.

## Village of Quogue, Southampton Town, Suffolk County Acquisition - Richman

The Village of Quogue, Town of Southampton, and Suffolk County protected a 15-acre site north of Dune Road in Quogue through a

joint acquisition. Located within the Village of Quogue's designated Critical Environmental Area, the property provides habitat for fish, birds and other wildlife, and contributes to the health of the Shinnecock Bay estuary. This site joins nine other protected parcels along the same road, preserving the area's scenic heritage and protecting this critical environmental area.

## Suffolk County PDR - McCall

Suffolk County purchased the development rights on 50 acres of prime farmland in Cutchogue. The parcel adjoins 37 acres of farmland protected by a conservation easement previously donated to the Trust by the McCall family. Preservation of this site, which is located to the west of Ft. Corchaug, protects a total of 150 farmland acres between Downs Creek and Halls Creek.

## Kenney Easement - Shelter Island

John and Jane Kenney donated a conservation easement to the Trust on a 1.86-acre parcel in Shelter Island. Located on Prospect Avenue, the property provides scenic vistas from a well-traveled road. The preservation of this woodland property also protects important wildlife habitat.

## Grassland Preserve - Montauk

Julie Fraad, Richard Verne, John Sacco and David Sacco donated this one acre woodland parcel located in the Startup Ranch subdivision. Their gift protects open space and preserves the rural character of the area. The Trust currently holds conservation easements on 7 other parcels within the Startup Ranch subdivision.

## Parsons Sylvan Preserve - Southampton


With the help of four conservation-minded neighbors, the Trust protected a woodland parcel on Big Fresh Pond, reducing the allowable density in the area. The property contains watershed forest and freshwater wetlands and is part of the larger Red Maple Black Tupelo Swamp. An example of successful public/private conservation partnership, this project was also funded with the proceeds of the Trust's sale of development rights to the Town of Southampton.

## Shelter Island Heights Easement - Shelter Island

Protection of this small parcel created an important addition to the Shelter Island Heights "village green" in the center of the hamlet. The Trust purchased a conservation easement on the property from the Shelter Island Heights Property Owners Corp. with funds from the estate of a former Shelter Island resident.

## Mesnikoff Easement - Shelter Island

Dr. Alvin Mesnikoff donated a conservation easement on a 1.2-acre wooded parcel located off Peconic Avenue in Shelter Island. The parcel has approximately 400 feet of shoreline on Crab Creek



and had a yield of one residential development right, which was extinguished by this easement.

### Further Lane Farm Easement - East Hampton

The Trust received a conservation easement on 50+ acres of farmland located on Further Lane in East Hampton. Part of the property had been previously protected through a deed restriction. This easement reduces the potential density from 8 units to 3 units over a 9-acre development area. The remaining 39 acres will remain open space and farmland in perpetuity.

### Gerrymander Easement - Southampton

Louis Bacon, the owner of Robins Island and Cow Neck in Southampton, donated a conservation easement on 30 acres of pristine land with 799 feet of frontage on Little Sebonac Creek to the Peconic Land Trust. The property has a number of outstanding natural and ecological features, including coastal salt marsh, oak uplands and tidal wetlands. The property also includes the salt marsh loosestrife plant, which is listed by New York State as endangered. Under the terms of the easement, no more than four single-family residences can be built on a small portion of the Gerrymander property that is not environmentally significant.

### Town of East Hampton Acquisition - Toolan

The Trust assisted the Town of East Hampton in acquiring a small parcel on Sherrill Road. The property consists of woodland and wetlands, and provides wildlife habitat. It also serves as a natural drainage basin for the surrounding area.

### Suffolk County Acquisition - Kujawski

The Trust assisted Suffolk County in acquiring 2 wooded lots totaling over 9 acres in the Laurel Lake Special Groundwater Protection Area. The property is adjacent to 64 acres recently pro-

ected by Suffolk County through the Safe Drinking Water Program and the Suffolk County Water Authority. The area surrounding Laurel Lake has been identified as an important conservation area that is vital to the protection of the water supply for the Town of Southold. This acquisition by the County adds to the more than 580 acres already protected in this area.

### Town of Southampton Donation - Scharpf

The Trust assisted a conservation-minded landowner in the donation a 1.8-acre wooded parcel in Flanders to the Town of Southampton. The property includes woodlands and wetlands, and provides important wildlife habitat. In addition, the natural spring on the property feeds a nearby pond that was previously protected by the Town of Southampton.

### Town of Southampton / Sag Harbor Village Acquisition - Butler

The Trust assisted the Town of Southampton and Sag Harbor Village in the acquisition of this small, but significant parcel. This wetland property is located in the Sag Harbor Village Historic District and provides wildlife habitat and scenic open space within the Village.

### Southampton Town - D'Amato Conservation Easement

The Town of Southampton received a conservation easement on a 4.8-acre parcel in Noyac. Located on Peconic Avenue, the property consists of a large pond with uplands that serve as an important wildlife habitat and provide scenic vistas. This easement ensures that the property will remain in its open, undeveloped state.

### Reeve Preserve - Riverhead

Donated by Richard N. and Avis Reeve, this 20-acre site overlooking Long Island Sound includes meadow and woodland and was previously under a conservation easement given to the Trust in 1999.

## **Conservation Tool: Bargain Sale**

Four of the above projects were successfully completed as a result of the landowners' willingness to sell their property at a "bargain sale." A bargain sale is a conveyance of development rights or land to a charitable conservation organization or municipality at *less than its fair market value*. A landowner can realize income from the sale and still protect the land from development if the goal is conservation. In addition, the difference between the land's fair market value, as determined by a qualified appraisal, and its bargain sale price is a charitable donation for the landowner. The capital gains realized from the sale of the property can be reduced through a bargain sale and, therefore, the capital gains tax will also be reduced. When considering a sale for conservation purposes to a qualified organization or a municipality, the landowner should consider the benefits of a bargain sale within the

context of his or her overall financial planning. As with any transaction where assets are involved, we encourage landowners to "run the numbers" and meet with a financial advisor before moving forward. On the side of the conservation organization and the municipality, bargain sales provide significant savings that can be used for other conservation purchases.

*Ed. Note: Bargain Sale is explained, along with other conservation tools, in the Trust's booklet "Options for Landowners." Landowners may contact Marian Sumner, Director of Conservation Programs, or Hoot Sherman, Director of Public Programs at (631) 283-3195 for a copy of this booklet, or if they have questions regarding the Trust's land conservation work.*



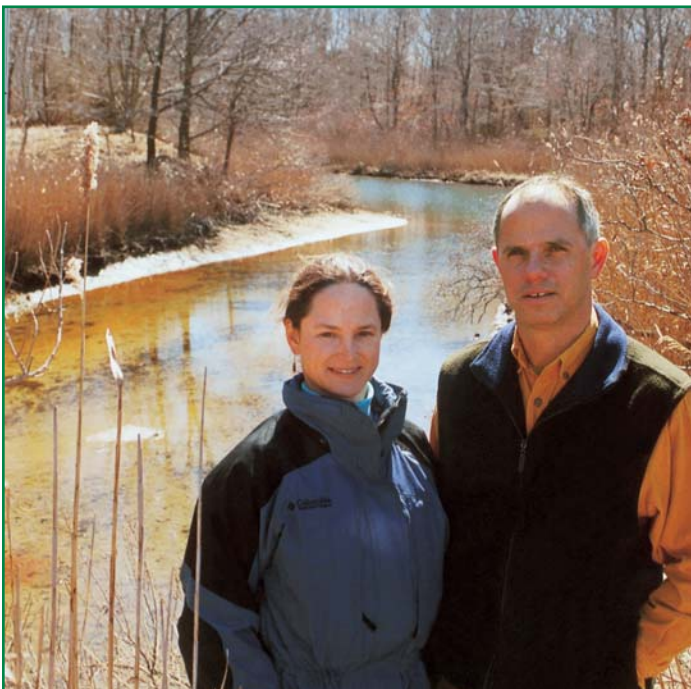
## North Fork Stewardship Center

In less than a year, the Trust's North Fork Stewardship Center, located at 22600 Main Road in Cutchogue, has benefited from significant improvements including exterior and interior painting, a new roof, new windows, new doors, and heating system improvements. Thanks to a cadre of determined volunteers, the surrounding landscape has been cleaned up and plans are underway for new landscaping, compliments of Connie Cross of Environmentals. Included will be a small pond to accommodate road run-off in the valley to the west of the Center. In the future, the Trust will carry out its stewardship responsibilities from the Center, including preserve maintenance, easement monitoring, and land management services for landowners and the Town of Southold.

The Town has retained the Trust to manage the Downs Farm Preserve including site restoration, oversight of the natural, wildlife, archaeological and aesthetic resources, and implementation of public access and related activities. The Trust has recruited and trained community volunteers who have stabilized a building that will become an Interpretive Center and created two trails. Limited public access will commence on Memorial Day 2001. Additional work is scheduled during this year to make the trails handicapped accessible, while other plans include a covered kiosk to display a map of the preserve, the trail system, and the natural features of the Downs Farm Preserve.



◀ In March, the Trust's stewardship staff visited stewardship centers of the National Lands Trust in Pennsylvania. The purpose of the trip was to expose stewardship staff to the stewardship philosophy of Andrew L. Johnson, President of both Conservation Advisors, a private conservation planning firm located in Chadds Ford, PA. and the North American Land Trust. Andy is the former Executive Director of the Brandywine Conservancy and the former President of the National Lands Trust, two successful land trusts that established innovative stewardship programs under his leadership. The hallmarks of Andy's stewardship philosophy include: a) accepting the challenges of stewardship which include land management, restoration, and programs that enable appropriate public use of protected land, b) providing stewardship services that meet the needs of landowners, and c) building a diverse, professional stewardship capability with staff and equipment. (l. to r.) Pam Greene, Stewardship Coordinator; Andy Johnson; Trust Vice President Tim Caufield; Graham Hawk, South Fork Stewardship Manager; and Trust President John v.H. Halsey. Denise Markut, North Fork Stewardship Manager, also participated but was behind the camera for this photo.



▲ The Trust welcomes Karen and Gregg Rivara, our new Shellfisher Preserve Managers.



▲ Have truck, will pick up . . . North Fork Stewardship Manager Denise Markut picked up a donation of a sofa with assistance from Steve Kenny. A number of items are still needed for the North Fork Stewardship Center. Your donation of any of the following will be very helpful . . . air compressor; 8-10' light trailer; power and hand tools, pressure washer, and garden hoses. Furnishings are also needed to make the apprentice housing livable . . . a new gas stove, area rugs, beds, bureaus, small tables, chairs, conference table, and outdoor table and chairs.



▲ Dedicated North Fork volunteers . . . l. to r. Jim Grathwol, Bruce Isaacs, Jim McMahon, Jill Sullivan, Jeff Sullivan, North Fork Stewardship Manager Denise Markut, Jack McGreevy, and Joe McKay.



▲ Volunteers come in all sizes . . . the Cushman trio, Andrew, Chris and Johnny.

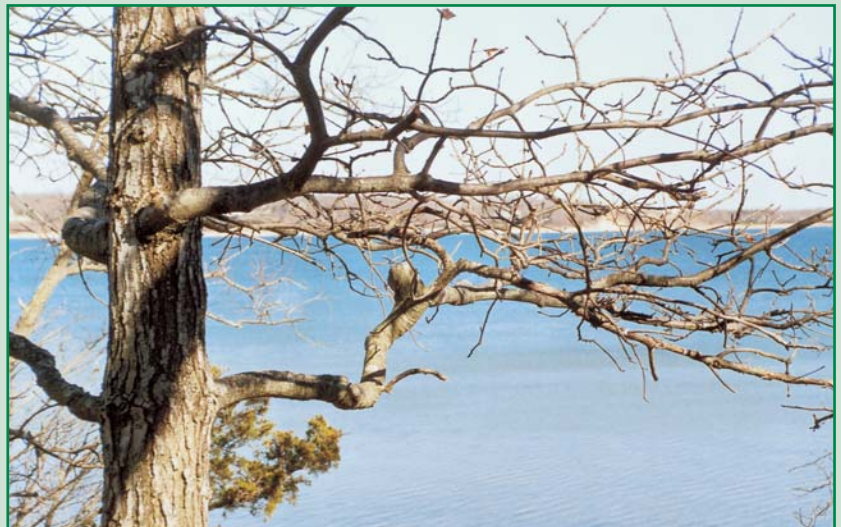


▲ The Peconic is coming to town . . . we let our imaginations picture hundreds of Trust supporters escaping the June sun under a big tent as we considered numerous snow-covered fields for this year's site. When all was said and done, we chose our own field at Ginsberg Preserve on the Main Road in Cutchogue. The annual potluck Peconic for Trust supporters will take place there on Saturday, June 9.



▲ The Trust hosted a brunch and hike for volunteers at the North Fork Stewardship Center late last fall. The Town of Southold presented the Trust with a Proclamation in appreciation to all the volunteers who have donated many hours of work at the Fort Corchaug site. (l. to r.) Trust President John v.H. Halsey, North Fork Stewardship Manager Denise Markut, Supervisor Jean Cochran, and Trust Vice President Tim Caufield.

View from the 17-acre Paumanok Easement overlooking Cutchogue Bay. The easement was a gift of the Wickham family, owners of the acreage since 1640. Their gift reduced the development potential from eight residential units to one, thereby preserving 12+ acres of woodland, meadow, and old orchard in perpetuity. A number of years ago, when the Wickhams were planning for the future of their land, their decision to sell was grounded in their determination to protect as much of the acreage from development as possible. Working with the Trust, they considered a variety of options including plans that would permit 4-lot and 2-lot subdivisions. Instead, they waited for the right conservation buyer to come along, one who would continue their family's centuries-old tradition of respect for the land. Subsequent to their gift of the easement, the Wickhams sold the restricted land to Nancy and Tom Gleason in March. For the Gleasons, their acquisition of the property was an opportunity to continue the Wickham family's stewardship. As they express it, "We have watched Long Island's wide open spaces slowly evaporate during our lifetime. Sadly, it is not the place it was 50 years ago. We recognize the North Fork to be one of Long Island's last unique areas and we are delighted to have this chance to work with Peconic Land Trust in preserving the rich heritage and natural beauty found at this property."



## President's Column: Regulation vs. Conservation

Given the pace of development throughout the East End, a variety of regulatory proposals have been made over the last 1 1/2 years with respect to groundwater protection and farmland preservation. While well intentioned, the advocates of these proposals too often justify strict regulations that strip equity from landowners by promising just compensation through public acquisition. The reality is that these proposals often incite building permits and subdivision applications as landowners take measures to preserve equity in land. Meanwhile, the available public funds for purchases are being rapidly depleted since land values are at the highest levels ever and public acquisitions are occurring at unprecedented rates. In addition, regulations that eliminate development potential undermine private conservation incentives. In short, regulations and public acquisition alone will not succeed in protecting the East End. In this increasingly polarized environment, the Trust is striving to identify fair and equitable conservation strategies that include modest regulatory changes coupled with strong conservation incentives and protections for conservation-minded landowners.

One case in point is the current effort to amend the Southampton Town Zoning Code with respect to farm and farmland protection. Unfortunately, the relationship between the equity in land and the business of farming has not been well under-

stood by the public at large. Farmers who have protected their land for generations have felt penalized by the proposed 5-acre zoning and 80% mandatory set asides primarily targeted at developers. After many months of negotiations that have included the Trust, it is likely that a compromise will be struck between the Town and farmers whereby regulations will be tightened, but farmers who enter into a term easement will be entitled to restore current zoning in 10 years. This will result in the following benefits: 1) equity in the land will be maintained for bona fide farmers, enabling them to borrow against their land for agricultural and family purposes, 2) both the Town and the Trust will have a 10-year period to identify and implement both public and private conservation options with farmers, and 3) the Town will have an opportunity to raise additional funds for public acquisitions over a 10-year period. The Trust has played a critical role in facilitating this compromise along with members of the agricultural community and the Town Board.

Meanwhile, new zoning proposals have been made in the Towns of Riverhead and Southold. No doubt, the Trust will be playing a mediating role there as well in the coming months. Successful conservation requires understanding and mutual respect.

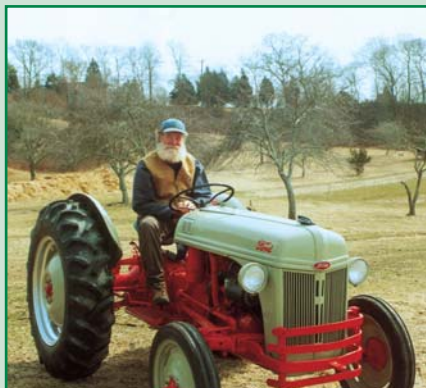
*John v. H. Halsey*

## From Quail Hill Preserve . . .

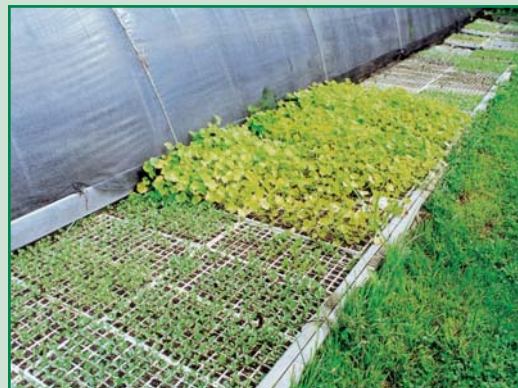
*Spring chickens redoux . . .*



*Scott Chaskey shows off Quail Hill Farm's newest (and oldest) piece of equipment, a 1948 Ford tractor, restored and donated to the Trust by Mr. and Mrs. Carey Turnbull. After spending the better part of half a century in Iowa, the tractor has settled in at Quail Hill where it is admired and fussed over by Farm staff.*



*Zoe joins Quail Hill Farm Field Manager Matt Celona and Quail Hill Preserve Manager Scott Chaskey as they prepare seedling trays in March. Welcome to Quail Hill Farm interns Angela Begonia, Jessica Reynolds, and Scott Stewart who will assist Scott and Matt during the growing season!*



*Seedlings wait in the wings for their spring debut at Quail Hill Farm.*



# Leave a Legacy to Future Long Islanders . . .

If you would like to extend your support of the Trust's work in protecting farmland and open space on Long Island, you may do so in a variety of ways such as naming the Trust a beneficiary of your IRA or a life insurance policy, for example. If you would like to include a provision in your will to bequeath cash, securities, or other asset property to the Trust, the following language may be used and modified as necessary:

## For gifts of real estate

"To the Peconic Land Trust, Incorporated, a 501(c)(3) non-profit organization, incorporated under the laws of the State of New York in 1983, having as its principal address 296 Hampton Road, Southampton, New York 11968, I hereby give and devise my real property at (street address here) to Peconic Land Trust, Incorporated, of Southampton, New York."

## For cash gifts

"I give and bequeath \$\_\_\_\_\_ to Peconic Land Trust, Inc. of Southampton, New York."

## For gifts of securities

"I give and bequeath \_\_\_\_\_ (number of shares) of (name here) common stock to Peconic Land Trust, Inc. of Southampton, New York."

## For asset property such as paintings, other artwork, antiques, etc.

"I give and bequeath (description or name of items) to Peconic Land Trust, Inc. of Southampton, New York."

*If you or your attorney would like to discuss a potential bequest, please call Marsha Kenny, Director of Development, at (631) 283-3195. All inquiries will be kept confidential. All gifts to Peconic Land Trust are tax-deductible. Contributions of \$250 or more will be acknowledged in our Annual Report.*

## This summer, do something really good for body and mind! JOIN QUAIL HILL FARM . . .

**The harvesting season starts in early June and runs through the end of October . . . 23 weeks of glorious organic vegetables, herbs, raspberries and flowers for just \$25 a week. A great value for organic produce! Harvest on Saturdays and Tuesdays from 8 AM to 6 PM. Here's a representative sampling (in the order they are ready for harvesting; the numbers indicate the varieties grown) of what you can expect to enjoy each month:**

**JUNE:** Asparagus; Radishes (4); Rhubarb; Spinach; Arugula; Oriental Salad Greens (Tatsoi (can also be cooked), Mizuna); Garlic Scapes; Egyptian Walking Onions; Herbs (Bronze Fennel, Chives, Lemon Balm, Oregano, Parsley, Thyme); Broccoli Raab; Hakurei (Oriental White Turnips); Head Lettuce (15); Peas (Shucking, Snap, Snow); Fava Beans; Oriental Cooking Greens (Komatsuna, Toraziroh).

**JULY:** Baby Carrots; Giant Red Mustard; Swiss Chard; Black Raspberries; Fresh Garlic; Scallions; Zucchini & Summer Squash (8); Green & Purple Beans; Kale (6); Potatoes (12 including Fingerlings, Red Gold); Yukina Savoy (it's similar to Tatsoi); Cabbage (8 including Savoy & Columbia); Onions (3); Shallots; Beets (6); More Herbs (Basil, Borage, Dill, Cilantro (Coriander), Rosemary, Summer Savory, Mint; Flowers (Ageratum, Calendula, California Mission Poppies, Cosmic Orange Cosmos, Purple Verbena, Zulu Daisies); *June Holdovers:* Peas, Favas, Radishes, Broccoli Raab, Salad and Cooking Greens.



**AUGUST:** Jade Green & Yellow Wax Beans; Green, Purple & Red Peppers (8); Cucumbers (6); Florence Fennel; Potatoes (Yellow Finns, French Red Fingerlings, Blue & All Red); Tomatoes (25); Cauliflower; Eggplant (6); Hot Peppers (3); More Herbs (Chamomile, Lovage, Borage, Nasturtiums); more flowers (Cosmos, Globe Amaranth; Straw Flowers, Sunflowers, Zinnias); and most July arrivals.

**SEPTEMBER:** Leeks; Spaghetti Squash; Raspberries; Red & Green Celery; Jade Green & Royal Burgundy Beans; new harvests of Salad & Cooking Greens; lots more varieties of tomatoes and potatoes; new harvests of Zucchini and Summer Squash; Horseradish; Winter Squash (Delicata, Sweet Dumpling, Buttercup); new Hakurei Turnips; Bok Choi; more flowers (Statice); and most August arrivals.

**OCTOBER:** More Winter Squash (Acorn, Butternut); Beets (6); Broccoli; Radicchio; Cauliflower; Brussels Sprouts; Parsnips; Radishes; Pumpkins (8); Daikon; Kohlrabi; more Potatoes; Cooking Greens (Kale, Chard); and most September crops including Potatoes, Leeks, Celery, Salad Greens and, hopefully, Peppers and Tomatoes.

**Farm shares are \$595 per family and, if you live alone, we'll find a share partner for you. For more information, contact Quail Hill Preserve Manager Scott Chaskey at (631) 267-8492 or Pam Greene, Stewardship Coordinator, at (631) 283-3195. We accept MasterCard and Visa.**

## Other Ways to Support Land Conservation

Matching Gifts: Many companies have matching gifts programs; some allow matches for others in addition to employees—spouses, retired employees, spouses of retired employees, widows or widowers of retired employees, and non-employee directors of the company. Please check with your employee benefits office. If your employer has a matching gifts program, your gift to the Trust can be doubled or tripled.

Scallop Shell Memorial Gifts: A gift in memory of a loved one or friend is a special tribute to those who appreciated the beauty of Long Island. To make your gift, send your check, along with the name of the person being memorialized, to the Trust. Please indicate the name and address of a family member or friend of the deceased to whom we can send an acknowledgment of your charitable gift.

Special occasion gifts: Commemorate an anniversary, birthday, wedding or other special occasion with a gift to conservation. The Trust will send a card in your name to whomever you designate (just provide us with a mailing address!).

You may make a charitable gift to the Trust on our secure website [www.peconiclandtrust.org](http://www.peconiclandtrust.org).



The Trust's Stewardship staff in the field ... (l. to r.) Pam Greene, Stewardship Coordinator; Graham Hawks, South Fork Stewardship Manager; and Denise Markut, North Fork Stewardship Manager. Graham was recently appointed to his new position, having previously worked as Quail Hill Farm Field Manager.



At a recent press conference, Town of East Hampton Supervisor Jay Schneiderman pointed out Jacob's Farm, a 165-acre site acquired in a 50/50 Town and Suffolk County partnership that was facilitated by Peconic Land Trust.

## In Memoriam George Bradley

George Bradley was an important member of the Bridgehampton community for many years. He was married to Lucy Bradley for a long while. Through Lucy, George Bradley was very dedicated to the Peconic Land Trust, and that was one of the reasons for my giving a consistent contribution to that very important organization. George Bradley was a classmate of mine at Yale, Class of 1935, and a shipmate on the *U.S.S. Montpelier*, a six-inch gun cruiser. I had the good fortune to be a roommate of George Bradley on the *Montpelier* as well. George was a great friend. He was a star performer in the financial world and a real hero in the Navy. He swam ashore from the *U.S.S. Pollux* off Newfoundland with a rope around him to save hundreds of men's lives. He did this before he served on the *Montpelier* when it was placed in commission in 1942 until after the Japanese peace in 1945. George was a great friend, a great husband and a great father. Needless to say, I miss George a great deal.

*Joseph F. Cullman 3rd*

*Ed. Note: Mr. Cullman is a long-time supporter of the Trust's conservation work and has served on the Trust's President's Council for many years.*

## Trust Teams Up with AmeriCorps

This spring, the Trust's Quail Hill Farm partnered with volunteers from AmeriCorps\*NCCC. The National Civilian Community Corps is part of AmeriCorps the network of national service programs that provide opportunities for full-time service in exchange for education awards. Members are 18-24 years old and serve in teams to provide community service in the areas of the environment, public safety, education and unmet human needs with a focus on national disaster relief. At Quail Hill, the team included Shane Cole, Mahealani Davis, Sarah Trowbridge-Alford, and Jessica Work, who assisted Quail Hill Preserve Manager Scott Chaskey and Quail Hill Farm Field Manager Matt Celona with a variety of tasks from seeding to pruning apple trees. Their work readying Quail Hill Farm for the upcoming season was very much appreciated by the Trust.

**GreaterGood.com**

Now you can help Peconic Land Trust when you shop online. Just visit our "shopping village" at [www.peconiclandtrust.greatergood.com](http://www.peconiclandtrust.greatergood.com), where you can choose from more than 80 major online retailers, including Amazon.com, L.L. Bean, Office Max, J. Crew, J.C. Penney, Brooks Brothers, Patagonia, Orvis, and many more. 5%-15% of every purchase you make will benefit Peconic Land Trust, and it doesn't cost you, or us, anything extra! Plus, for every person who registers at the Trust's "shopping village," GreaterGood.com will donate \$3 to the Trust. Just click on the "Register" link in our shopping village to access the registration form.

# Charitable Planning Strategies for Qualified Plans and IRAs

by John S. Erwin, Esq.

The combination of estate and income taxes that apply to Qualified Plans and IRAs (hereafter referred to as "Plans") can reduce the benefit to a non-spouse beneficiary by up to 70%. Because the tax impact can so dramatically reduce the amount received by a non-spouse beneficiary, using the Plan assets for charitable giving can be a very cost efficient method to make desired charitable gifts. If, during the Plan owner's lifetime, distributions are used to replace the value of a charitable gift, the non-spouse beneficiary can also receive a benefit. This strategy is particularly effective if the Plan owner does not require the Plan assets for funding his or her retirement needs. Careful planning can avoid the double tax trap and enable the Plan assets to provide benefits for both the family and charity.

The rules relating to Qualified Plans were primarily intended to provide an income tax deferral, but limited the time during which receipt of income could be postponed. The primary reason for allowing deferral was to encourage savings for retirement. Providing benefits to the Plan Owner's beneficiaries was not a primary purpose of the rules. These distribution rules have been simplified by the January 11, 2001 proposed regulations, but they still exist as to the required beginning date of distributions and the time limit of distributions. The general rule is that distributions are required to begin by April 1st of the year following the year the owner attains age 70½ and continue annually over the distribution period. The distribution rules also provide for a minimum required distribution ("MRD"). This is determined on the required beginning date based on the table and the account balance as of December 31 of that year. The table bases the distribution period on the life expectancy of the owner and of a designated beneficiary deemed to be ten years younger unless the designated beneficiary is a spouse who is more than ten years younger, in which case the actual joint life expectancy applies.

If the spouse is the beneficiary and the Plan owner dies first, the spouse can "roll over" the Plan and name a new designated beneficiary and start the clock again. If the beneficiary is a non-spouse, upon the death of the Plan owner, the period of distribution becomes the life expectancy of the designated beneficiary.

There are strategies to extend the distribution period by naming children or grandchildren as designated beneficiaries. This enables distributions to continue after the death of the owner for the life expectancy of the young beneficiaries. For this strategy to be effective, however, the pro rated share of estate taxes due on the value of the Plan must be paid from non-Plan assets. If the estate taxes are paid from the Plan assets, the spiral of income and estate taxation rears its ugly head. Each dollar withdrawn from the Plan to pay estate tax incurs income tax. The result is a combined income and estate tax of up to 70%. This has a devastating effect on the amount passing to the beneficiary. A plan valued at \$2 million can be reduced to approximately \$600,000. The legacy you intended to leave is reduced dramatically by income and estate taxes.

Fortunately, there is an alternative that, if adopted, can provide substantial benefit to both family and charity. The first part of the strategy involves naming a charity (or charities) as beneficiary of the Plan if the spouse does not survive or, if the spouse survives, he or she can roll over the Plan and name the charitable beneficiary. By naming a charity, the estate receives a dollar-for-dollar charitable deduction and incurs no estate tax on the Plan assets comprising the charitable bequest. Since the after-tax benefit to the non-spouse beneficiary would have been only approximately 30% of the value of the plan assets, naming a charity as the beneficiary has little impact on the non-spouse beneficiary, yet provides a very substantial gift to charity.

The second part of the strategy involves using the minimum required distribution (or a greater distribution if needed) during the owner's life and the life of his or her spouse to pay the premium on a second-to-die life insurance policy owned by an Irrevocable Trust. This is particularly efficient if the distributions are not required to provide retirement income. If the income is required for retirement needs, an increased distribution may be taken to pay for the insurance. However, careful planning is needed to chart the longevity of the Plan assets based on the distributions required. The amount of the insurance could be the amount the non-spouse beneficiary would have received, but is often greater because the distribution from the Plan can support the required premium.

Upon the death of the second to die, the Irrevocable Trust will receive the death benefit free of income or estate taxes. Additional planning can enable the Trust to 1) continue for the life of the non-spouse beneficiary, 2) have the use of the Trust assets and, 3) upon death, have the then Trust principal be paid estate tax-free to the next lower generation. This can result in a substantial increase in the amount received by the next generation.

In summary, Qualified Plans and IRAs are subject to both estate and income taxes, thereby having a devastating effect on the amount the non-spouse beneficiary receives. The strategy of having a charitable beneficiary coordinating withdrawals from the Plan with the purchase of insurance owned by an Irrevocable Trust, significant charitable and family benefits can be achieved.

In the last issue of the Peconic Land Trust's Newsletter, I discussed a similar wealth replacement plan involving Charitable Remainder Trusts. This method of charitable giving and wealth replacement with the assets being ultimately given to charity has application in many areas. If there is a downside, it is for the IRS. The upside is for you, your charities and your family. It is a fine legacy to leave.

*For over 25 years, John S. Erwin, Esq. has concentrated on what he calls "waste management," or saving estate taxes and maximizing the transfer of wealth to family and other chosen recipients. He practices in Westchester, New York and Water Mill and has acted as consultant for Peconic Land Trust on estate planning matters. His phone number is 212.682.3366 and his e-mail address is jserwin@huelaw.com.*



**PECONIC LAND TRUST**

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*Mission Statement*

The Peconic Land Trust is a nonprofit, tax-exempt conservation organization dedicated to the preservation of farmland and open space on Long Island. To this end, the Trust acquires and manages land as well as easements for conservation purposes. In addition, the Trust assists farmers and other landowners in the identification and implementation of alternatives to full-yield development.

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