

THE
COMMUNITY
LEADER'S
LETTER

NEWS & VIEWS FOR SOUTH CAROLINA'S
GRASSROOTS LEADERS

Citizen Interest in Conservation Evident as Land Trusts Form

*Taking Chances— A
Fact of Life — p. 2
Understanding
Easements — p. 3
SC Conservation Bank
Bill— p. 4*

The Upper Savannah Land Trust, promoting balanced growth with sensible conservation in Abbeville, Edgefield, Greenwood, McCormick, Laurens, and Saluda counties, organizes. The National Farmland Trust opens an office to serve the Carolinas. The young land trust, Upstate Forever, accepts its first conservation easements. Citizens of Beaufort County ap-

prove spending county funds to save special natural features in their county, following in the footsteps of York County. Rep. Chip Campsen develops legislation to create a S.C. Conservation Bank to finance the purchase of easements by local governments, state agencies, and nonprofit organizations. Since May 31, landowners who receive charitable deductions on their federal in-

come tax for a gift of land or a conservation easement on their land may claim a similar state tax credit on their S.C. income tax return, as a result of passage of the Conservation Incentives Act by the General Assembly.

What's happening here? South Carolina is becoming part of the fastest growing conservation movement in the United States, the creation of land trusts and enabling legislation to promote preservation of historic and natural resources. Peggy Adams, president of the Upper Savannah Land Trust seems to speak for many in the land trust movement, "We are trying to provide a forum for people in this part of South Carolina to work together toward conservation. We don't intend to be adversarial and we don't intend to be anti-growth. We want to be part of an aggressive campaign to conserve significant lands and resources" in the Saluda

(Cont. p. 4)

As most of you are aware, South Carolina is experiencing a short fall in state revenues, and as a result state agency budgets this fiscal year and in the coming fiscal year have been dramatically reduced. This, of course, includes Clemson University's public service activity budget which funds this publication. We have examined public service activities to assess how we might continue to deliver quality products more efficiently to lower costs. As a result, we will shift the production of the **Community Leader's Letter** from a print and electronic publication to production using just an electronic format. For our readers who do not have access to an internet linked computer, the **Community Leader's Letter** is available through area libraries through their internet connection or from local Clemson Cooperative Extension offices computer network. If neither of these options are workable for you, please contact us, and we will make arrangements to mail you a printed copy. You can find the **Community Leaders Letter** at www.strom.clemson.edu/teams/ced/ccl.html and all Strom Thurmond Institute publications at www.strom.clemson.edu/publications.html. If you wish to be notified by e-mail when a new issue is available on the Web, send an e-mail message to majordomo@strom.clemson.edu with the following command in the body of your e-mail message: subscribe cll

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ECONOMIC BRIEF NO. 39

Taking Chances — A Fact of Life

This series of economic briefs explores fundamental concepts in economics and community and economic development.

Risk is a fact of life. People are at risk when they eat picnic food prepared by others, buy a house, fly a plane, drive a car, start a business. The economy is larger and more diverse because people take risks.

People are encouraged to risk by hope of profit or by guarantees of protection or at least reimbursement against loss. Favorable tax treatment of capital gains recognizes that gains often come from taking entrepreneurial risks on new products, new services, or new markets. Loan guarantees encourage banks to take a chance on first-time borrowers or start-up businesses. Crop insurance keeps farmers in business when disasters strike and crops fail.

People are also discouraged from taking risks by warnings and sanctions. Warning labels appear on cigarettes and alcohol, and laws set minimum ages for these activities. Signs warn "proceed at your own risk" and barriers keep people out of risky areas. Regulations require licensing of drivers, pilots and operators of large watercraft or 18-wheelers, activities which may endanger others. Inspection services guarantee the safety of food, safety standards protect the lives of riders in cars, and rigorous tests ensure the safety of medicines.

People often choose to take risks for the thrill of it. They climb icy mountains, ride dangerous rapids, jump from air-

planes, day-trade in stocks, and gamble—recreational risks providing an adrenaline rush, the psychological lift of beating odds, or hope of a financial windfall. Unlike entrepreneurial risk, which may result in profit or loss or insurable risk, where risk of loss is shared, recreational risk serves no essential economic or social purpose. This risk is not wrong, but there's no particular reason to encourage it. Whole industries are built on serving those who like to take chances, and their existence encourages risk-taking by others who might not take such risks if they were not accessible and affordable.

Most people are comfortable with the government's encouraging people to undertake entrepreneurial risks and offering guarantees against certain kinds of risk, such as natural disasters, bank failure, and home mortgage loans. It is harder to judge the appropriate role of government in protecting people from undertaking risky ventures for thrills or risky ventures that may harm others.

When it comes to recreational risk, the questions about government's role multiply. Nowhere is that more evident than with gambling.

With gambling, a potentially addictive, risky activity, the risk is almost purely financial. Like alcohol and tobacco, gambling has many occasional recreational users. Unlike tobacco and

alcohol, gambling's damage is primarily to the pocketbook, not the heart, lungs and liver. Many arguments offered for government regulation of tobacco and alcohol are relevant to gambling—controlling access by minors, regulating payouts for consumer protection, taxing to discourage an activity widely considered undesirable. Many arguments about the futility of prohibition also apply to gambling.

Economics can suggest ways to tax, regulate, and discourage taking recreational risks including gambling. But questions still remain. Is it government's role to inform consumers about risks and then let them decide what's risky? Are there circumstances under which government should intervene? Are there compelling reasons to outlaw a particular risky activity? Economics can suggest ways to tax, regulate, and discourage taking recreational risks of many kinds, including gambling. But questions still remain. Is it government's role to inform consumers about risks and then let them make their own choices? Are there circumstances in which the government should limit access to a risky activity? Are there compelling reasons to outlaw a particular risky activity? As South Carolina, just recently divorced from video poker, prepares to initiate its state lottery, these are questions that citizens need to contemplate.

In furtherance of Clemson University's land-grant mission, the Community and Development Program provides access for community leaders in South Carolina to expertise in all branches of knowledge on the University campus.

Easements Provide Land Conservation Tailored to Owners' Needs, Desires & Goals

The conservation easement is one of the most popular and widely used means of protecting natural, scenic, agricultural and historical lands in the United States. It is a voluntary agreement by the land owner to relinquish some or all of the rights to develop a property. For relinquishing these rights the owner can realize significant income, estate, and property tax benefits, according to the leadership of Upstate Forever.

Granting a conservation agreement does not affect ownership of property and in most cases does not allow public access to the land. It is a flexible agreement that can be tailored to meet the desires of the property owner, while protecting significant land and resources. When the property is sold, the purchaser is required to comply with the easement agreement. Once a landowner has entered into a conservation program with a land trust, the trust monitors the easement for compliance with the restrictions and intentions specified by the landowner.

In conservation easements involving farmland, the landowner often will reserve the right to continue growing and harvesting crops on the property and to construct and re-

pair buildings and facilities related to that use. Even where farmland is not involved, owners may reserve the right to build a limited number of structures.

Some states have established funds to purchase easements to keep prime farmlands in production and to protect scenic vistas. Often local governments supplement state funds. Such programs pay landowners for giving up their rights to develop a property, if the location and current use of the property meet certain criteria.

Land trusts accepting easements as gifts, because of the long-term obligation for monitoring the property, evaluate whether protecting the property establishes significant public benefit. Location of property often establishes a public benefit, if it is close to land that is already protected or has the potential to become part of a community, regional or state park or greenway system. Sometimes property is valuable to a community as open space because it is close to developing areas or because it plays a role in how people perceive their community. Agricultural or forest lands are in this category.

Sometimes the topography

of land such as rock outcroppings or bogs, its undisturbed condition, its ecosystems, or the presence of wetlands, flood plains, or watershed lands necessary for the protection of water quality qualify land for protection.

Candidate Training

The **Jim Self Center on the Future** at Clemson University will train first-time state and local political candidates emphasizing political ethics and practical campaigning skills. The Self Civic Fellows program, in partnership with the Pew-funded Sorensen Institute's Project on Campaign Conduct at the University of Virginia, is dedicated to helping candidates run effective campaigns, free from practices that contribute to public cynicism about government and electoral politics. The Sorensen Institute's program has a strong research component emphasizing how candidate behavior relates to voter turn out and election results. The research is the basis for the "best practice" training modules used in the Virginia and the South Carolina programs.

The Civic Fellows program is nonpartisan and nonideological. This focus allows concentration on the goal of training aspiring leaders to be ethical and effective candidates and office holders. The first S.C. program is scheduled for early 2002. Contact Donna London at 864-656-4700 or dlondon@strom.clemson.edu for more information.

South Carolina has over 20 land trusts and organizations working with private property owners interested in conservation.

You can locate contact information and links to their Web sites on the Land Trust Alliance Web page: <http://www.lta.org/findlandtrust/SC.htm>. The site lists land trusts in Aiken, Beaufort County, Darlington, Columbia, Edisto Island, Greenville, Hilton Head Island, Lancaster, Kiawah Island, Moncks Corner, Charleston, Fort Mill, Greenville, Columbus NC (Pacolet Area Conservancy also serving SC), and Spartanburg. Contact the Upper Savannah Land Trust at Box 1366, Greenwood, SC 29648.

The Palmetto Conservation Foundation, the SC Nature Conservancy, the Heritage Trust Program and the Scenic Rivers Program of the SC Dept. of Natural Resources are statewide organizations supporting the conservation goals of the land trust movement.

COMMUNITY
AND
ECONOMIC
DEVELOPMENT
PROGRAM



The Strom Thurmond Institute

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THE COMMUNITY LEADER'S LETTER

The Community Leader's Letter is the quarterly newsletter of the Economic and Community Development Program at the Strom Thurmond Institute of Government and Public Affairs. The Cooperative Extension Service finances the newsletter as a public service activity (PSA) of Clemson University

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Articles in the newsletter may be reprinted; however, please cite the newsletter as the source. To be added to or deleted from the mailing list, or to report duplicate mailings, write, call or e-mail (asteirer@strom.clemson.edu). Previous issues of the Community Leader's Letter are on the Institute Web site at <http://www.strom.clemson.edu/teams/ced/cll.html>

S.C. Conservation Bank Bill

On May 30, debate on S-297, known as the **Conservation Bank Bill** was adjourned as numerous amendments began to cloud the intent of the bill. Rep. Campsen, (Charleston District 112) primary sponsor of the bill, asked for its continuance to the January 2002 calendar so that questions raised concerning the implementation of the Conservation bank could be clarified.

In brief, the conservation bank provides for a modest \$9 to 10 million dollars per year to supplement local initiatives aimed at assisting private land owners wishing to create conservation easements on their own private lands. Funds from the bank could go to offset costs of establishing conservation easements and to help pro-

vide acquisition of critical lands and easements, such as those needed to protect water supplies. The bank would be funded by using twenty-five cents from each real estate deed fee.

The program is not very different from what neighboring states are already doing and is quite similar to what is underway in Beaufort County by local initiative. The beneficiaries of this bill would have been those counties and rural areas where few private sector land trusts exist or where local governments lack the resources to protect critical areas such as water sheds to assure quality and supply of drinkable water and riparian lands important to wildlife and area scenic quality. The bill is built upon the premise of willing buyers and willing

Citizen . (From. p. 1)

and Savannah river valleys.

Land trust organizations bring together many members of a community—individuals, businesses, elected leaders, foundations, and traditional conservation groups—because of their emphasis on maintaining a community's particular quality of life. They enable individuals and communities to achieve their own conservation goals tied to the sense of place their land and communities provide.

sellers and the absence of this available pool of funds will certainly remove or reduce buyer potential. Look for this bill in the next legislative session.

A copy can be found on <http://www.lpittr.state.sc.us> by searching under the bill number.