

ChicoryLane Foundation

Mission, Purpose, Implementation

Mission

The mission of the ChicoryLane Foundation is to preserve ecologically significant undeveloped land and water, and to continue a program of ecological educational, aesthetic, and research activities associated with that land and water.

Background

The tract of land and its waters - both within and passing through it – is referred to as *ChicoryLane*. It is owned by and is the residence of John and Catherine Smith, both in their 80s, and in the past has also been the residence of their only descendant, Ian Smith, now 60. They have owned and lived on the property for the past 50 years and operated it as an ecological reserve and educational institute for the past 25 years, explained in more detail, below. Throughout this entire period, the Smith family has been responsible for all expenses associated with the property, including its maintenance, ecological enhancement, and educational and aesthetic activities, paid from personal assets supplemented by modest payments from USDA:NRCS:CREP (Conservation Reserve Enhancement Program - \$2-4k per year) and occasional incentive programs from the same agencies (~\$2k per year) for similar conservation stewardship and improvement purposes. Although they vary from year to year, expenses for maintaining and operating the property typically range from \$30k - \$40k per year, and for the residence, \$10k - \$12k per year.

In 2017 the Smiths placed a conservation easement with the ClearWater Conservancy of Central Pennsylvania, Inc., on the entire property. It articulates many of the ecologically based conservation principles that we speak to throughout this narrative as well as key conservation objectives.

The undersigned Owners accept responsibility as stewards for the healthy functioning of the land within Chicory Lane Farm. They are committed to preserving and enhancing the Property's capacity for self-renewal as a Biotic Community. They understand that organisms comprising the Biotic Community exist in dynamic, not static, relationship to one-another and to landscape conditions; consequently, the Owners will manage the Property adaptively as needed and in accordance with this Conservation Easement to sustain the Biotic Community's resilience. They further assert that the Land has intrinsic value, independent of any economic or human functional value.

Conservation Objectives address the following:

- *Water Resources*
- *Forest and Woodland Resources*

- *Botanical Resources*
- *Wildlife Resources*
- *Soil Resources*
- *Scenic Resources*
- *Ecosystem Services*
- *Dark Skies*

These principles and objectives will guide the Smiths' management and stewardship of ChicoryLane for so long as it remains under their ownership and in their care. Additional details of this binding agreement are included in the attached Addendum.

We also note that the IRS has stated in Rev. Rul. 76-204, 1976-1 C. B. 152:

Environmental Conservancy: a nonprofit organization formed for the purpose of preserving the natural environment by acquiring, by gift or purchase, ecologically significant undeveloped land itself with limited public access . . . qualifies for exemption under 501(c)(3) of the code.

We believe ChicoryLane conforms to these requirements.

Goal

The overarching goal the family has for this property and associated activities is to continue them beyond their lifetimes *in perpetuity*, to create both legal and operational structures to enable such continuation, and to provide an endowment sufficient to support basic operations and activities such that the Board and staff operating the enterprise can focus on the ecological mission, not fund raising.

Strategy

Our strategy we will follow both in describing this effort here and in the operation of the Foundation we plan to create is to divide its function into two programs: an *Ecological Reserve* and an *Ecological Institute*. *Reserve* refers to the physical land and water components and the maintenance and enhancement efforts associated with them, including those outlined above in the conservation easement. *Institute* refers to the educational, aesthetic, and research components and the public programs, on-line resources, and other activities by which they are accomplished.

Because of personal as well as legal factors, we believe we must implement these two Foundation programs under specific conditions, offset (likely) from one-another in time. This arrangement is awkward and introduces complications. Operating the Institute is relatively straight-forward. Operating the Reserve will require careful, precise planning. The main issue is that the residence on the property has been the home of the Smith family for 50 years and John and Catherine Smith desire to live out their final years there. They also wish to allow the same access to their sole descendant, Ian Smith.

The solution we believe to be viable under IRS regulations is to leave the property in private ownership and to continue its operation with private resources, as it has been for the past 50 years. When the third and final Smith is deceased, arrangements will have been put in place so that title for the property will be passed to the Foundation along with additional assets for its continued operation.

In the meantime, when the Foundation is authorized, it will limit its initial operational responsibilities to the Institute's ecological educational, aesthetic, and research activities. The Foundation will be provided with a non-exclusive license to use the property and the non-residential facilities for its programs. All such use will be free of any charges (a copy of the intended license agreement is enclosed) and is intended to avoid any form of inurement, self-dealing, or conflict of interest. A more detailed description of past, present, and future educational, aesthetic, and research activities is provided below. Further details for intended legal, structural, and conditional arrangements are provided in the section on Implementation.

Activities

ChicoryLane has for many years offered a variety of activities reflecting different aspects of its mission and its lands and waters. They include both educational and aesthetic events, although the two dimensions often merge. (Is a Plein Air painting workshop educational or aesthetic? Same for bird walks or native plant identification tours.) They range from several hours to several days. We also welcome visitors for individual visits, consistent with our policy of scheduling them so as not to disturb the delicate balance of the ecosystem we are preserving.

The subject matter of events changes continually. Following we outline a sample of topics for activities in the past, some we are offering this year, and others we are considering for future offering. The process is dynamic and opportunistic, and those listed are only examples included to suggest the range of topics.

Past Activities

- Field Trip, Grass, Sedge, Rush Identification (2013), led by Sarah Chamberlain
- Creative Writing Workshop for Girls (2015), led by Abby Minor
- Native and Medicinal Plant Identification (2013), led by Catherine Smith and James Lesher
- Plein Air Painting Workshop (2018), Elody Gyekis
- Field Day: Conservation and Habitat Improvement for Different Conditions (2012) John Smith, James Lesher, Co-Sponsored with Penns Valley Conservation Association
- Music in the Marsh (2013), Several Letters Ensemble

- Bird Walks (2019, 2023, and other), Joe Gyekis
- Plein Air Photography (2019), self-guided
- Woods in your Backyard: Landowner Workshop (2015), led by James Finley and Craig Highfield and representatives from eight other local, county, state, and federal agencies.
- A Sense of Place (2012), John Smith
- Plein Air Painting (2012), Carl Leitzel
- Ecological Enhancement (2023), John Smith
- Barns of Central Pennsylvania: Four Architectural Examples (2023), Christopher Macneal

Current Activities

- Tree Planting and Protection (2024), Art Gover, Co-Sponsored with Penns Valley Conservation Association
- Bird Walks (2024: spring and fall), Joe Gyekis
- Native Plant Identification (2024: evening and morning) Cathryn Pugh
- Ecological Enhancement (2024), John Smith, Jame Leshner, Greg Williams

Future Activities (potential)

- Drone Fly-in. Several visitors fly their drones, experimenting with different photography techniques for imaging natural settings. A workshop that includes an experienced drone pilot and photographer seems a likely subject for a workshop.
- Ecological Enhancement Workshop. Ecological enhancement has emerged as a strong interest and ChicoryLane has considerable experience in such projects. Active workshops are intended.
- Gathering of Landowners of Conserved Properties. Such landowners often share interests and needs regarding their properties. Promoting learning and sharing is appropriate for a ChicoryLane activity.
- Considering a Conservation Easement, Workshop and Support Group for landowners considering and/or working through the process of establishing an easement.
- Birds of a Feather, A neutral site and sponsor for gathering the directors of several local and state conservation and conservancy organizations to explore overlapping interests and opportunities for cooperation.

Research

ChicoryLane is not a Penn State nor does it aspire to extensive federal or other outside support. But it has an opportunity and capacity to explore

topics of research appropriate for properties of approximately 100 acres. This niche in Pennsylvania comprises some 35% of undeveloped woodland owners and 43% of woodland acreage. Understanding ecological factors that can affect these properties – both positive and negative – is a research area that is often too big for individual landowners and not big enough to attract the interest of large institutions. We have begun and expect to continue exploring opportunities for research at this scale. Below is a sample of current interests.

- Understanding, Improving, and Assessing *Ecological Enhancement*. This line of work is in an intermediate stage of development. We have established an underlying set of principles that guide on-the-ground application. And, we have developed a five-step set of practices that enable a landowner to apply the principles to relatively small, doable areas. We have also developed simple, self-evident steps to inform a plan of action that should lead to qualitative improvement to the ecology of that area. We are now working on methods for qualitative assessment of results that can both justify the undertaking and to inform future efforts on the same or different areas. These methods are spelled out on the ChicoryLane web site along with detailed descriptions of our work on a variety of different terrain types (see Addendum for link reference).
- Exploring Opportunities for Applying *Gross Ecosystem Product* concepts to Conservation. The basic concept is to identify so-called ecological services – things that ecology does for the world – such as move water and air, produce soil that leads to food production, regulate climate, etc. To gain a sense of the (economic) value of such services, the methodology leads to estimates of costs for supplying replacement mechanisms were natural ones not available. The intent is to explore the use of GEP frameworks to better integrate ecological health into economic decision making.

The concept of GEP, analogous to Gross Domestic Product, was introduced in the Robert Costanza, et. al., 1997 paper, *The Value of the World's Ecosystem and Natural Capital*. There has been since then rapid development of both frameworks and assessment methodologies. The initiative has been adopted, at least in part, by China, the United Nations, and a number of international organizations.

What has all this to do with ChicoryLane? We intend to explore whether GEP concepts and methods can be applied to individual conserved properties, especially those of order ~100 acres. If so, in what specific ways, using what methodologies, and with expected results? Can Ecological Enhancement fit into such considerations? Practitioners are

now encouraging farmers to apply these methodologies to their own enterprises to better inform their own, local decisions and to encourage sustainable practices. This is often referred to as extending the concepts to the “farm gate.” Is there a conserved property analog?

Can these concepts and methodologies be applied to individual landowners of conserved properties? GEP is a rich, innovative set of ideas that we are interested in, and we believe ChicoryLane is in a unique position to explore them.

Implementation

The mission and purpose of the ChicoryLane foundation are clear: to continue ChicoryLane *in perpetuity* and to operate its two main functions, labeled Reserve and Institute. However, IRS policies and constraints with regard to inurement and self-dealing significantly influence our implementation plans. All members of the Smith family are *disqualified individuals* with respect to the Foundation. At the same time, the Family has a strong, and we believe reasonable, desire to reside in the residency on the property.

So long as ownership of the property remains outside of the Foundation, we believe the family is entitled to live in the residency and to continue their long-established operation and support of its ecologically-based functions. Principles and practices for this operation are described in their Conservation Easement (see Addendum) and throughout this statement. Circumstances will change when the last member of the Smith family dies. When those circumstances exist, title and operating endowment will be transferred from private, outside status to internal, Foundation ownership.

In the meantime, the mission and functions of the Foundation will be limited to its Institute activities.

This logic lead us to view the likely early years of the Foundation as a progression through several likely stages:.

- Start-up: Immediately following IRS authorization to begin operation, the Foundation will complete arranging necessary support structures to manage day-to-day operations and to comply with annual financial compliance requirements and reporting (e.g., filing 990-PF). Activities will be limited to the educational, aesthetic, and research parts of its overall mission. Maintenance and operation of the property will be performed by private entities.

- Early operation: following the mechanics of startup, the Foundation will continue its Institute mission activities on a relatively low, return-on-endowment basis. This arrangement will be temporary.
- Transition: the financial status of Foundation activities will change upon the death of the second to die of the two co-founders, John and Catherine Smith. At that time, the following actions are anticipated:
 - Creation and funding of a CRUT (Charitable Reserve Unitrust) for the benefit of their sole descendant and designating the Foundation as the eventual recipient of the CRUT reserve resources.
 - Creation of funding of a separate Property Trust that will hold title to the property and a separate endowment, and whose resources in the form of return on investment will finance continued maintenance and operation of the property.
 - Incremental increase in the Foundation endowment from assets included in the estate plan of the last-to-die individual. These assets are expected to support the Foundation's continued Institute activities at a higher level.
- Final envisioned dispersal: upon the death of the last member of the Smith family or at his/her discretion prior to that, title to the property and other assets in the Property Trust will be transferred to the Foundation. At that time, the Foundation will add to its activities those associated with the ownership, maintenance, and operation of the property that here-to-fore had been the responsibility of private individuals or the Property Trust. In this transaction, both parts of the Foundations overall mission and purpose will be united.

These arrangements will have to be modified in the event the family members do not die in the anticipated order. These adjustment, we believe, would be minor and can accomplish similar overall goals.

Final Words

We have gone to great lengths to avoid any reasonable possibility of inurement, self-dealing, or conflict-of-interest. We hope and believe that the measures outlined above will be viewed as sufficient guarantee of legality. We would add, however, that as envisioned, the Foundation throughout the phases described will be entirely funded by the Smiths. Upon the final resolution, all assets – property as well as financial assets – flow to the Foundation

Addendum

Conservation Easement: ClearWater Conservancy of Pennsylvania, Inc

- Conservation Principles and Objectives
 - Selected text:
 - <https://www.chicorylane.com/papers/easement/ConservancyEasementSelected.pdf>
- Conservation Easement
 - Complete text:
 - <https://chicorylane.com/papers/easement/ConservancyEasementRecorded.pdf>