



## American Friends of Canadian Conservation

# Canadians and Americans Protecting Shared Landscapes



GEORGIAN BAY, LAKE HURON, ONTARIO

GARY AND JOANIE MCGUFFIN, WWW.THEMCGUFFINS.CA

AMERICAN FRIENDS OF CANADIAN CONSERVATION (American Friends) has a focused purpose and unique role — protecting ecologically important land in Canada owned by conservation-minded Americans, in collaboration with Canadian conservation organizations.

**American Friends is protecting land all across Canada, from Nova Scotia to British Columbia.** Canada's spectacular natural lands—seacoasts, forests, prairies, lakes, rivers, and islands—provide important ecological, economic, recreational, cultural, social and scenic benefits. These landscapes are defined by nature rather than political boundaries. Canada's treasured landscapes, particularly those within a day's drive of population centers in the US and Canada, are increasingly threatened. Demographics are causing big ownership shifts; as aging landowners sell their highly appreciated properties, the new owners of these expensive properties are using them more intensively to the detriment of nature.

US taxpayers own a significant percentage of those priority conservation lands, for example:

- 25% of Nova Scotia's coast is owned by non-Canadians, most of whom are US taxpayers<sup>1</sup>
- In parts of Lake Huron's ecologically-significant Georgian Bay, Americans own up to 80% of the properties<sup>2</sup>
- Americans own as much as 30% of private land in the beautiful Southern Gulf Islands in British Columbia<sup>3</sup>

Land protection professionals identify protection of American-owned lands as critical for conservation success in many parts of Canada. Before the creation of American Friends in 2006, they found **US and Canadian tax laws to be nearly insurmountable barriers to donations of land or conservation easements from US taxpayers.**

American Friends removed those tax and legal barriers, encouraging and facilitating “cross-border conservation” — Canadian land protected by US property owners.



**American Friends' successful, high-impact, low-cost conservation efforts are possible because it holds preferred tax status in both the US and Canada. The bi-national tax incentives allow American Friends and its partners to protect lands that otherwise could be lost to development.**

## Land Conservation without Borders

Established by conservation advocates from Canada and the US, American Friends' bi-national preferred tax status makes it financially feasible for US taxpayers<sup>4</sup> to protect natural lands they own in Canada. The US tax incentives for conservation are an essential supplement to Canada's funding capacity, providing important matching funds. American Friends has the unique professional expertise needed to complete complex cross-border land transactions to permanently protect high priority Canadian properties owned by US taxpayers.

Since completing its first project in October 2011, American Friends' collaborative approach and unique niche in land conservation have produced impressive results. In partnership with 43 Canadian conservation organizations, American Friends has completed 35 land projects, protecting 4,011 acres of important habitat located in six providences. More than four dozen US taxpayers were involved in these donations of land and conservation easements.

Valued at more than US \$20 million, land and easements donated to American Friends protect marine shorelines, pristine lakes, mature woodlands world-class wetlands, habitat for endangered species and a wealth of recreational and economic values.

### FOOTNOTES

1. Nova Scotia Nature Trust
2. Georgian Bay Association
3. Islands Trust
4. American Friends is recognized by the Internal Revenue Service as a 501(c)(3) public charity under US tax law (EIN#20-4817049). Accordingly, US taxpayers can make tax-deductible gifts of land, conservation easements, cash or securities.

American Friends is also a "Prescribed Donee" under Canadian tax law. As a result, donations of ecologically sensitive lands are not subject to Canadian capital gains taxes.



NORTH HARBOUR, CAPE BRETON, NOVA SCOTIA

NOVA SCOTIA NATURE TRUST

### Highlights include:

- Nearly four and half miles of shoreline on Bras d'Or Lake, an inland sea on Cape Breton Island in Nova Scotia, protecting rare barachois lagoons which are now stewarded by the Nova Scotia Nature Trust.
- Entire islands within the UNESCO Biosphere Reserve of Georgian Bay, Lake Huron, Ontario
- Over 1,200 acres at Delta Marsh, Manitoba, one of the largest freshwater wetlands in North America, globally known for its breeding and migratory habitat for wildlife, especially birds. Protected lands are now owned by Ducks Unlimited Canada.
- Dramatic and pristine Seven Days Work Cliff, overlooking the Bay of Fundy, and the public trail around Grand Manan Island, New Brunswick. The Nature Trust of New Brunswick manages the property as a publicly accessible nature reserve.
- St. John Point, Mayne Island—one of only seven undeveloped parcels over 50 acres in size, with more than a mile of waterfront, in British Columbia's Southern Gulf Islands. The Capital Regional District acquired the property for use as a regional park.





ST. JOHN POINT, MAYNE ISLAND, GULF ISLANDS, BRITISH COLUMBIA

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These remarkable conservation results were possible because landowners wanted to permanently protect their cherished Canadian lands and American Friends made it legally and financially possible. Without American Friends and its bi-national tax status, it is likely these lands would not have been protected.

Strong relationships with conservation organizations across Canada are essential to American Friends' success. Qualified partners manage the special properties donated to American Friends. Our collaborative projects also give some of the smaller Canadian entities experience in land and easement transaction best practices, while producing on-the-ground results. Our many Canadian partners include the Nova Scotia Nature Trust and Nature Trust of New Brunswick in the Maritimes, Thousand Islands Watershed Land Trust and Rainy Lake Conservancy in Ontario, Gabriola Land and Trail Trust and Salt Spring Island Conservancy in British Columbia.

American Friends is committed to expanding its network of Canadian land trust partners, helping train their staff in cross-border transactions, and engaging interested landowners and conservation organizations. We must apply our expertise wherever it is needed in order to secure the future of important conservation areas.

**“It was not an easy decision for my brothers and myself to part with a piece of land that has given us so much pleasure and so many memories over the course of our lives. But none of us has any question that the [transaction with American Friends that resulted in the] creation of the regional park is the best possible outcome, for ourselves as well as for the public. I am very happy that not only my children and grandchildren, but many others, will be able to enjoy the tide pools and forests that enchanted me in my own youth.”**

Jonathan Eddy, 2017, Seattle, WA  
donor, St. John Point



KADONAGA BAY, ST. JOHN POINT

COURTESY EDDY FAMILY



## WHY PARTNER WITH AND SUPPORT AMERICAN FRIENDS?

American Friends is uniquely positioned to help increase the pace and caliber of natural areas conservation in Canada because:

- **Special tax status** in both the United States and Canada makes conservation gifts legally and financially feasible for US taxpayers. The Canadian Parliament designated American Friends as a prescribed donee because of the amount of sensitive land owned by US taxpayers.
- **Innovative combination of bi-national tax and legal expertise** creates the opportunity to secure strategic, high-priority parcels.
- **Conservation is more strategic** because US taxpayers own critical conservation lands in some of Canada's most threatened landscapes. Without cross-border conservation there would be "holes" in the ecological fabric of important conservation areas where American ownership is significant.
- **High levels of leverage** are obtained through gifts of properties that would be very expensive to acquire, if purchased.
- **Gifts expand Canada's funding pool** for land protection by securing donations of land and conservation easements, with underwriting from the US government in the form of tax benefits.
- **Partnerships** with local, provincial and regional land trusts, other conservation organizations and government agencies across Canada produce high levels of conservation while keeping expenses low.
- **Collaborations with First Nations** and Canadian conservation organizations can resolve aboriginal title disputes and create Indigenous Protected and Conserved Areas.
- **A growing network** of conservation professionals and volunteers, tax, legal and estate advisors trained and mentored by American Friends can exponentially expand cross-border conservation success all across Canada.
- **American Friends has the vision and commitment** to see projects to completion, a process that can take years.

Now is the time to protect priority Canadian properties, before they are sold or transferred to the next generation.



BRUCE TRAIL, NIAGARA ESCARPMENT, ONTARIO

ROSS BELOT



# American Friends in Action: A Real-life Story



PROVINCIALY SIGNIFICANT WETLAND ON THE LILLIE PROPERTY

COURTESY BRUCE TRAIL CONSERVANCY

Decades ago, Sue and John Lillie fell in love with the stunning beauty of the Niagara Escarpment of Ontario's Bruce Peninsula. Jutting into Lake Huron, the area attracts more than 400,000 people every year. The Lillies, who at the time lived in Ann Arbor MI,



SUE AND JOHN LILLIE

COURTESY LILLIE FAMILY

purchased their own private haven on the peninsula. Their 94-acre property featured wetlands, sensitive habitat, and spectacular views. It was also a missing piece in the

renowned 840 km long Bruce Trail—the oldest and longest marked hiking trail in Canada. When the Lillies reached an age where they could no longer enjoy their retreat, they and their adult children looked for a financially realistic way to protect the natural and recreational values of their property.

Working with the Bruce Trail Conservancy (BTC), American Friends structured a donation of the land from the Lillies. Their gift was tax deductible in the US and not subject to Canadian capital gains. The BTC managed the Lillie property for several years before receiving title from American Friends. Today, hikers from around the world enjoy the outcome of the Lillies' commitment to the future of their land and American Friends' capabilities to make their dream a reality.

**“We are thrilled that the Lillie property is conserved, and that we were able to accomplish it in such an innovative way by working with American Friends that benefits the Lillies and allows the land to be cared for by the BTC in perpetuity. It is an absolutely lovely property—ecologically and aesthetically!”**

Beth Gilhespy, 2012, Former Executive Director of Bruce Trail Conservancy



# American Friends of Canadian Conservation: The Future

The aging of the World War II and Baby Boomer generations presents a limited window of opportunity to protect important natural lands in Canada. As current landowners plan for the future of their lands and assess potential tax liabilities, American Friends and its partners offer a way for them to accomplish their financial and conservation goals. Demographics make it imperative to act now.

Without proper planning, Canadian capital gains tax liabilities triggered by transfers from the current owners to their heirs, (or trusts or corporations) can force sensitive lands to be sold. Americans are frequently unaware of impact of Canadian tax laws, which puts their lands at particular risk. Outreach to inform US taxpayers and their professional advisors is therefore a critical investment. American Friends and its partners are investing time and money in outreach and education to prevent development resulting from ignorance, and to encourage conservation gifts as a solution.

American Friends' success over the past 18 years has led to a growing number of requests for assistance. Having the capacity to provide more technical assistance is key to our ability to fulfill our mission and have the greatest possible impact.

**“Estate planning for landowners offers an opportunity for conservation. As the current older generation of landowners plans for the future of their lands they often realize that the next generation does not have the inclination or money to maintain another property. The Canadian capital gains tax on transfers, including bequests, is frequently an insurmountable burden for families. American Friends offers an alternative that allows landowners to accomplish both their financial and conservation goals.”**

**Sandra Tassel, American Friends Senior Advisor**

There is considerable need and opportunity for American Friends' services to the Canadian land conservation community and US taxpayers who own key tracts. No other organization is positioned to provide this assistance and significant potential land protection outcomes.

American Friends has an exciting and focused plan to achieve its full potential. To underwrite



LANDOWNER WORKSHOPS HOSTED BY AMERICAN FRIENDS PROMOTE CROSS-BORDER CONSERVATION

CRAIG LEE





THE GARGANTUA ISLAND ARCHIPELAGO IS NOW A LAKE SUPERIOR WATERSHED CONSERVANCY NATURAL PRESERVE

GARY AND JOANIE MCGUFFIN, WWW.THEMCGUFFINS.CA

this growth and expansion and save more land, American Friends is seeking investment from supporters in Canada and the US.

Looking forward, American Friends seeks to increase its capacity and financial investments in the following operating areas:

- Expand American Friends' protection of ecologically valuable land **using its unique expertise and leveraging skills.**
- **Identify and select priority geographic areas** where protecting lands owned by US taxpayers is critical to landscape-level conservation success
- **Strengthen or initiate partnerships** with Canadian organizations, First Nations and government agencies in key geographic areas
- Within priority areas, **identify which strategic properties are owned by US taxpayers and focus American Friends' resources on their protection** in order to produce highest impact

- **Expand outreach to American landowners,** families and their advisors in order to prevent loss of key parcels to development during intergenerational transfers.
- **Increase capacity to educate and mentor land trusts and other partners** so they can successfully negotiate and complete cross border transactions.
- **Create new, high-quality educational and outreach materials** to support our partners' communications with American landowners and build partners' comfort with doing so.



R. SUTER, VASSAR COLLEGE



## American Friends of Canadian Conservation: Need for Financial Support

Now is the time to invest in the success of American Friends of Canadian Conservation, and its cross-border partnerships. Threats to Canada's natural lands will increase as the current generation of landowners passes their properties to their heirs. Outreach to today's property owners and education of landowner advisors is essential to avoid losing important natural properties and habitat connectivity to development. American Friends' track record demonstrates that its approach produces low cost, high impact outcomes.

Not only is American Friends effective, it is efficient. Every dollar donated directly to American Friends, produces in excess of \$80 in conserved land value. US foundations and philanthropists interested in preserving the geographies shared by our two

**"We could never bring ourselves to sell the land as we could not bear to have someone parse the land out and ruin the beauty. It would be too much for our children to undertake when we pass, as the Canadian taxes would be unaffordable. We [decided to donate the island because we] just wanted to keep the island as it is and not burden our family at the time of our death.**

**There is NO way we could have done this without the help of the American Friends team. We broke even on the costs through tax deductions and we now know that the island will be there for generations to come in all its original beauty.**

**MAT MCKITTERICK, KANSAS CITY, MO  
DONOR, HAYMARSH ISLAND ONTARIO**



COURTESY NELSON/NORTON FAMILY

THESE TWO SISTERS, SHOWN IN 1937, WERE AMERICAN FRIENDS' FIRST LAND DONORS, IN 2011.

countries, such as the Gulf of Maine, the Thousand Islands, Great Lakes and Gulf Islands, are able to obtain maximum results by supporting American Friends.

American Friends has only begun the work of communicating and developing relationships with Canada's conservation organizations and the spectrum of entities with which it could partner. In priority regions, we aim to establish connections to Canadian organizations so they know American Friends has the expertise and experience to help them protect priority properties owned by US taxpayers.

American Friends has tested and proved the crossborder, tax-leveraged land protection model and demonstrated our capacity for success. Expanding American Friends' capacity is essential to addressing the growing needs for our services. We invite individuals, businesses, foundations and other funders who care about the landscapes our two countries share to be part of this critical transition.

With additional financial and professional resources, American Friends will expand its work with Canadian partners of all types to preserve the future of Canada's extraordinary natural lands, treasured by Canadians and Americans alike, for generations to come.

**Join us in growing the impact of cross-border conservation. Please contact:**

**American Friends of Canadian Conservation**

**336 36th Street, #717  
Bellingham, WA 98225**

**Katie Blake, Director of Conservation  
info@conservecanada.org  
(360)515-7171**

**or visit [conservecanada.org](http://conservecanada.org)**