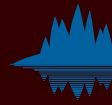




Maine Coast Heritage Trust
2006 Annual Report



Maine Coast Heritage Trust
A Statewide Land Conservation Organization

Maine Coast Heritage Trust conserves
and stewards Maine's coastal lands and islands
for their renowned scenic beauty,
outdoor recreational opportunities,
ecological diversity and working landscapes.
MCHT promotes the conservation of natural
places statewide by working with land trusts,
communities and other partners.

As a membership organization, MCHT is supported
by individuals committed to protecting Maine's
natural beauty and resources.
The Trust invites your support and involvement.

Main Office

1 Bowdoin Mill Island, Suite 201 • Topsham, ME 04086
207-729-7366

Somesville Office

P.O. Box 669 • Mount Desert, ME 04660 • 207-244-5100

Columbia Falls Office

P.O. Box 141 • Columbia Falls, ME 04623 • 207-483-6586

Aldermere Farm

70 Russell Ave. • Rockport, ME 04856 • 207-236-2739

www.mcht.org



On the cover:
MCHT's Williams Preserve at The Basin, Vinalhaven.
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James J. Espy, Jr.—President

Peg Adams
Assistant to General Counsel and
to the Director of Stewardship

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Director of Stewardship

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Maine Land Trust Network
Assistant / Office Manager

Celeste Black
Receptionist

Cindy M. Brouwer
Executive Assistant to the President

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Director of Administration & Finance

Marrie Crone
GIS/Land Protection Associate

Bob DeForrest
Project Manager

Christina Epperson
GIS/Land Protection Associate

Chris Fichrel
Project Manager

Kirk Gentalen
Regional Steward

Betsy Ham
Project Manager

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Director of Communications

Jonathan M. Labaree
Director of Development

Chris Lambert
Information Technology Administrator

Melissa J. Lee
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David R. MacDonald
Director of Land Protection

Daniel F. Mahoney III
Finance Associate

Karin Marchetti Ponte
General Counsel & MCHT Clerk

Douglas McMullin
Regional Steward

Patty Renaud
Membership Manager

Brian Reilly
Project Manager

Jeff Romano
Public Policy Coordinator

Megan D. Shore
Maine Land Trust Network
Coordinator

Heidi Smallidge
Office Manager Somesville

Martha F. Sterling-Golden
Major Gifts Manager

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Development Assistant

Terry Towne
Regional Steward

Ciona Ulbrich
Project Manager

Patrick B. Watson
Project Manager

Warren Whitney
Associate Director of Development

ALDERMERE FARM STAFF

Dwight A. Howard
Farm Manager

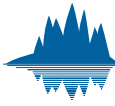
Ronald Howard
General Manager

Jennifer Jardine
Program Assistant

Sarah A. Post
Program Coordinator

Jeff Sweeting
Farm Worker

Kevin Walters
Farm Worker



Maine Coast Heritage Trust

A Statewide Land Conservation Organization

2006
Annual Report



WARREN WHITNEY

PRESIDENT'S AND CHAIRMAN'S MESSAGE

MCHT's Campaign for the Coast met with great success, protecting more than 14,000 acres, 125 miles of shoreline, and 56 entire coastal islands. The Campaign substantially increased the amount of conserved land on the coast, assuring that some of Maine's most outstanding—and vulnerable—places will remain protected forever. We extend heartfelt thanks to each of the 1,086 individuals, families, foundations, and businesses that supported MCHT's Campaign. Help from partners, such as the Land for Maine's Future Program and the U.S. Fish & Wildlife Service, further extended the impact of private contributions by leveraging three dollars for every dollar spent.



MCHT joined with Passamaquoddy tribal representatives to celebrate a collaborative effort that helped sustain a sacred site of the tribe, protect significant ancient petroglyphs and preserve a scenic and wildlife-rich whole place.

The Campaign for the Coast marked an important turning point in MCHT's history. It helped us increase the pace and scale of coastal land protection, while setting aside vital funds for land stewardship and operating endowment. It raised the Trust's public profile, making more people aware of how conserved lands enrich Maine's quality of life at so many levels. And it enhanced our conservation leadership

GAINING GROUND

role, strengthening the capacity of the Maine Land Trust Network and our ability to support local trusts in their important work.

The Campaign has helped MCHT undertake a growing array of stewardship responsibilities (from monitoring ecological conditions and public use to overseeing traditional community uses like grazing sheep or lobster gear storage).



COURTESY OF ARTHUR SPIESS

The work of stewardship can be complex on preserves that have a diverse array of scenic, recreational, productive and historical values (such as Malaga Island in Casco Bay, shown here). In 2006, MCHT collaborated with the University of Southern Maine on an archeological dig at the Malaga Island Preserve.

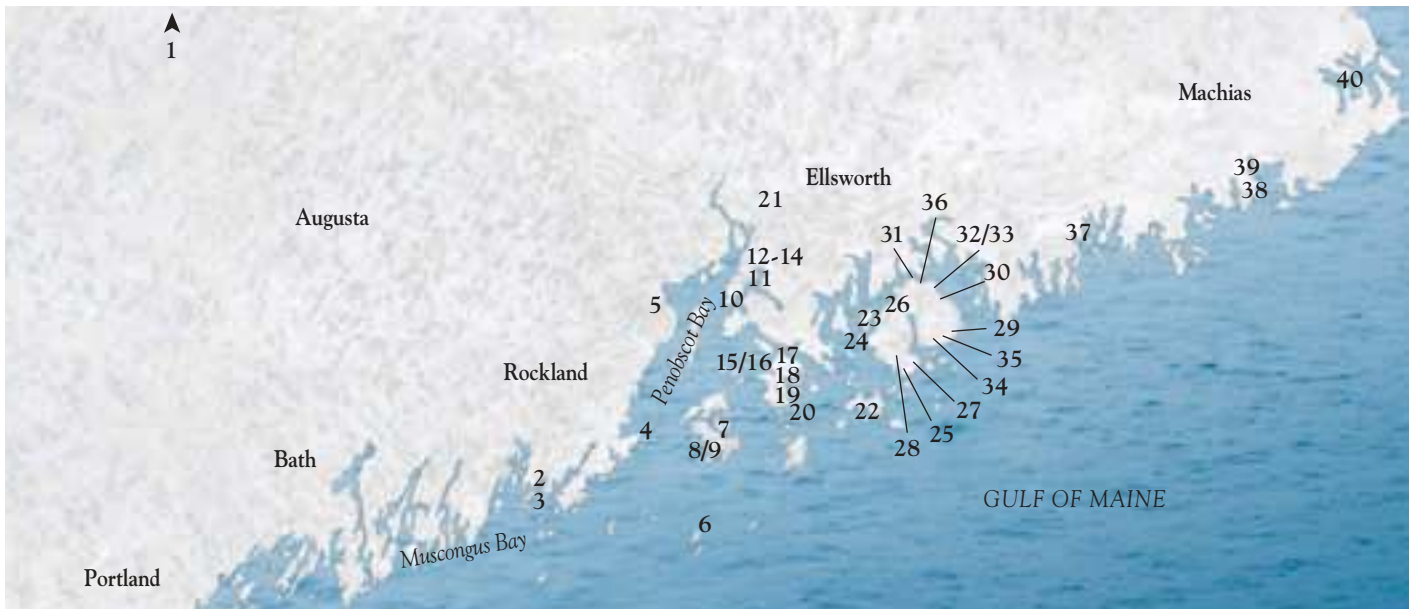
We are expanding our staff of regional stewards to help accommodate varied uses while protecting the natural integrity of the lands entrusted to us.

The Campaign for the Coast set a new standard for coastal land conservation in Maine, one that we will maintain into the future. We pledge to sustain the momentum from the Campaign, working harder than ever as development pressures along the coast intensify.

Your support, as contributors and partners in conservation, moves us closer to the goal that inspired the Campaign—"to conserve the best of Maine's coast for generations to come." We are grateful for your commitment to the Trust and to Maine.

Thomas Ireland
Chairman

Jay Espy
President



2006 YEAR IN REVIEW SUMMARY

	Projects	Acres	Shorefront Miles
Gifts of conservation easements	11	84	4.0
Gifts of land	6	128	0.7
Purchases of land	15	867	10.6
Purchases of easements	8	1,310	6.9
Total	40	2,389	22.2

SOUTHERN AND WESTERN MAINE

1 Kingfield

With help from Maine Coast Heritage Trust’s Revolving Loan Fund, the Western Mountains Charitable Foundation purchased a corridor of nearly six miles along the Dead River. Plans are underway to establish a hiking/ski trail (part of a hut-to-hut system between Moosehead Lake and the Mahoosuc Mountains).

2/3 Muscongus Bay

MCHT now holds conservation easements that will permanently maintain public access and sustain the wild character of 140-acre Hungry Island and 15-acre Black Island, two properties traditionally enjoyed by travelers on the Maine Island Trail. MCHT helped negotiate the islands’ transfer from the Island Institute to Chewonki Foundation, which will use the islands for educational programs.



MCHT now holds conservation easements on Hungry and Black Islands in Muscongus Bay, both of which will remain accessible to the public—thanks to the commitment of their new owner, the Chewonki Foundation.

4 Owls Head

An easement donated to MCHT enhances the conservation values of 225-acre Monroe Island by limiting future development to a single small building envelope set back from the shore. The new restrictions augment a 1973 easement held by the Maine Department of Inland Fisheries and Wildlife.



© PAUL REZENDES

MCHT secured protection of two critical parcels in an ongoing effort to protect Vinalhaven's Basin, an embayment of great ecological value.

5 Northport

A bequest gift of 60 wooded acres along the Little River protects the future of this important wildlife corridor and scenic buffer. Maine Coast Heritage Trust retained a conservation easement on the land before transferring it to Coastal Mountains Land Trust.

6 Matinicus

MCHT transferred Two Bush Island (acquired in 2005) to the U.S. Fish & Wildlife Service for long-term management. This nationally significant nesting island supports eiders, gulls and guillemots.

7 Vinalhaven

With help from Maine Coast Heritage Trust, Vinalhaven Land Trust (VLT) acquired a small property near MCHT's Carrying Place Bridge Preserve in the Winter Harbor "whole place." VLT will own and manage this shorefront property, which abuts its new Sullivan Preserve.

8/9 Vinalhaven

Two parcels with more than half a mile of frontage now help buffer the Basin, a significant "whole place" and prime habitat for bald eagles, wading birds and waterfowl. MCHT secured an easement on 59 acres surrounding Basin High Mountain, and purchased 44 acres by Steep Mountain and the Basin Preserve—helping extend public access along the Basin's eastern side.

10 Castine

Through a generous gift of 31 wooded acres, Maine Coast Heritage Trust was able to expand its Witherle Woods Preserve. People in the community had long sought to preserve this important tract, which includes shore frontage on Penobscot Bay.

11 Penobscot

An easement gift provides a 650-foot buffer from development along the Bagaduce River at the Narrows, where MCHT has concentrated protection efforts for decades. The Narrows area provides high-value habitat to many species, including rare breeding sites for the horseshoe crab.



MCHT

An easement donated to MCHT along the Bagaduce River Narrows helps to protect one of four significant breeding sites for horseshoe crabs in Maine.



DOUG MCAULLIN

Completion of three projects on Tills Point helped to advance MCHT's ongoing effort to protect the scenic and ecological integrity of the Bagaduce River Narrows

12/13/14 Penobscot

Through three transactions, Maine Coast Heritage Trust protected nearly all the shorefront on Tills Point, an important wooded peninsula by the Bagaduce River Narrows "whole place." The integrity of this wildlife-rich area was jeopardized by the unexpected sale and proposed subdivision of two large parcels on the Point.

15/16 Deer Isle

MCHT acquired a 3-acre island preserve off Deer Isle at a bargain sale price, along with deed restrictions on the neighboring island (to protect visitors' experience and views on and from MCHT's island preserve). Western Bar Island is completely undeveloped and has a well-established osprey nest.

17/18 Deer Isle

Generous local gifts allowed Maine Coast Heritage Trust to acquire an historic saltwater farm at the gateway to Deer Isle which served as the island's ferry landing for roughly 150 years. MCHT retains a conservation easement on the 22-acre Scott's Landing property, which is now owned and managed by Island Heritage Trust.

19 Stonington

MCHT helped facilitate the strengthening of an easement on 34 acres bordering Webb Cove. The easement, held by Island Heritage Trust, limits future development along 4,000 feet of shorefront.

20 Stonington

Russ Island, one of the most prominent islands in the Deer Isle Thorofare, will remain accessible to the public for nature walks and camping. MCHT helped negotiate its transfer from the Island Institute to the Chewonki Foundation, and now holds a conservation easement that protects the island from future development.



© PAUL REZENDES

Hikers, picnickers and campers can continue enjoying the stunning views from Russ Island off Stonington, thanks to the collective conservation efforts of MCHT and the Chewonki Foundation.



© PAUL REZENDES

An easement generously granted to MCHT now ensures that 94 percent of Bartlett Island, a large and prominent landmark in Blue Hill Bay, will be kept wild.

21 Dedham

Maine Coast Heritage Trust helped the New England Forestry Foundation secure an easement on 725 acres of working forest near Hatcase Pond in Dedham. The easement prevents future development while allowing sustainable forestry practices.

22 Swans Island

An easement donated to Acadia National Park protects a scenic stretch of shoreline on Stanley Point, complementing previous conservation efforts by neighboring landowners. MCHT facilitated the easement transfer.

23 Mount Desert

The owner of Bartlett Island in Blue Hill Bay donated to MCHT a conservation easement that clusters all future residences into a limited area near the existing farm, keeping the vast majority of the 2,100-acre island undeveloped. This recent easement augments one previously donated to the Town of Mt. Desert.

24 Mount Desert

Folly Island, an undeveloped island at the southern end of Bartlett Narrows, lies along a popular kayaking route. The island's former owners generously donated this property to MCHT, which is transferring a "forever wild" easement on the island to Acadia National Park.

25 Tremont

A private landowner gave Maine Coast Heritage Trust five acres of forests and fields bordering Bass Harbor in Tremont. This new community preserve offers attractive harbor views.

26 Bar Harbor

MCHT received a gift of 17 acres of wetlands and a wooded knoll that offers public access so people can enjoy the quiet beauty of Pray's Brook Marsh. The new preserve adjoins land with conservation restrictions held by Acadia National Park.

27 Southwest Harbor

An easement donated to Maine Coast Heritage Trust now protects 8 acres of woods and 3 acres of freshwater ponds and marshland bordering Western Way. The family that has held this land since 1937 worked collaboratively to preserve the property's natural and scenic values.



BRIAN REILLY

MCHT now holds a conservation easement on the longest remaining stretch of unbroken shoreline along Western Way between Fernald's Neck and the Park land at Seawall in Manset.

28/29/30 Southwest Harbor/Mount Desert/Bar Harbor

Maine Coast Heritage Trust helped a private foundation purchase three properties on Mount Desert Island for future transfer to Acadia National Park. Ranging from tidal wetlands on Bass Harbor Marsh to prominent road frontage along the approach to Bar Harbor, these parcels help round out the Park's boundaries.

31 Bar Harbor

MCHT purchased North Twinnie Island through a "bargain sale" (below market value). Protection of this 3-acre island completes the conservation of an archipelago that includes Thomas Island (purchased by MCHT in 2005) and South Twinnie Island (conserved by MCHT and now owned by U.S. Fish & Wildlife Service).

32/33 Salisbury Cove

The Mount Desert Island Biological Laboratory and a neighboring private landowner each donated a conservation easement to MCHT, protecting land by the lab's Salisbury Cove campus. These properties bordering Route 3 include woodlands and a small wetland.

34 Mount Desert

A bargain sale and generous support from the local community enabled MCHT to acquire 16 acres at the base of Norumbega Mountain. The newly protected parcel, which includes parts of a popular community trail network, adjoins Acadia National Park and two private properties protected by conservation easements.

35 Mount Desert

MCHT helped Acadia National Park and the Town of Mount Desert clarify restrictive covenants in the Schoolhouse Ledge area. The covenants allow for continued use of a popular trail network from Northeast Harbor village into the Park.



RICH KNOX

A conservation donation of 12 acres along Northeast Creek will protect this pristine estuary in the heart of Mount Desert Island.

36 Bar Harbor

The headwaters of Northeast Creek will benefit from the gift in fee of 12 wetland acres to Acadia National Park. Maine Coast Heritage Trust negotiated the transfer of this wetland, which is a popular setting for canoeing, kayaking and wildlife observation.

DOWNEAST

37 Milbridge

Maine Coast Heritage Trust helped negotiate long-term protection of 20 acres of an organic farm on the Beaver Meadow Brook salt marsh. An easement held by Great Auk Land Trust protects nearly half a mile of shore frontage in this significant “whole place.”

38 Machiasport

With help from the Land for Maine's Future Program, MCHT acquired a 28-acre tract that encompasses much of Jasper Beach, a popular community landmark. The Trust plans to transfer the property to the Town of Machiasport following approval by town voters.



PATRICK WATSON

Thanks to support from MCHT and the Land for Maine's Future Program, residents downeast now have guaranteed access to Jasper Beach.

39 Machiasport

Maine Coast Heritage Trust purchased for the Passamaquoddy Tribe the 5.5-acre “Picture Rocks” site (which contains prehistoric petroglyphs and will be submitted to the National Register of Historic Places). In turn, the Tribe gave MCHT an easement on 312 acres bordering Moose Snare Cove that ensures this sensitive land in a “whole place” will remain free from development.

40 Pembroke

Generous support from a National Coastal Wetlands Grant helped Quoddy Regional Land Trust acquire a critical parcel with nearly 2 shorefront miles bordering Cobscook Falls. MCHT helped negotiate a “bargain sale” acquisition and an easement on a small inholding within the larger public preserve.

LAND TRUST LEADERSHIP

Maine Coast Heritage Trust recently upgraded its Conserved Lands Registry (formerly the Conservation Easement Registry), which allows land trusts and conservation entities throughout Maine to record and update their land holding information via a password-protected web site.

With help from MCHT, the Maine Coast Protection Initiative (a cooperative effort to strengthen coastal land conservation) provided local and regional organizations with more than \$250,000 in capacity-building grants and \$70,000 in GIS support grants.

Thanks to a generous three-year grant from the Jessie B. Cox Charitable Trust, Maine Land Trust Network (MLTN) will begin offering member trusts individualized training, consulting and mentoring to help advance permanent land protection.

LAND HERITAGE AWARD

MCHT's 2006 Land Heritage Award goes to Tin Smith, a farmer and conservationist from Wells. Smith helped found Great Works Regional Land Trust (GWRLT) two decades ago when he realized that “something important was disappearing forever” from the Southern Maine countryside.

Smith has played a critical role building the skills and professionalism of the land trust community in an area with great biological diversity and a growth rate four times the state average. He has mentored many colleagues, served on the MLTN Steering Committee, and helped launch the regional partnership that evolved into the successful Mt. Agamenticus to the Sea Initiative. “Tin's passion for conservation extends through every aspect of his life,” observes Megan Shore, MLTN Coordinator. In nominating



RICH KNOX

Smith for this year's award, a colleague wrote “I can think of no one who has had a greater impact on our region or who has been more willing to share his experience with the broader land trust community than Tin.”

STEWARDSHIP

MCHT's stewardship responsibilities continued to grow in 2006 with the acquisition of 13 new easements (totaling 2,812 acres) and 14 new properties (totaling 282 acres). The Trust hired a new regional steward to care for the growing number of preserves in the Castine/Deer Isle area.

Conservation innovation funding helped the Trust begin pioneering research on a dozen of its island preserves, working to establish predictive models of how human use may affect nesting bird populations. Trust staff hope to learn more about where migratory birds concentrate (*i.e.*, toward the shore or in the island interior) and where best to route trails to minimize disturbance to the birds.



Members of the Maine Conservation Corps helped MCHT to construct half of the 8-mile trail network planned for Marshall Island.

With help from the Maine Conservation Corps, MCHT extended its Marshall Island trail network during 2006, completing 4 miles of the planned 8-mile network.

Aldermere Farm had a successful year, with a marked increase in youth programs due to popular demand. The volunteer Farm Hands program now runs year-round, with after-school, summer and home school offerings. Farm staff are offering tours for area schoolchildren, the Aldermere 4-H Club is at capacity, and the Farm is hosting a new ecology camp in the summer.

Aldermere received grants from MBNA (Bank of America) and the Maine Forest Service to eradicate invasive plants on the property and educate farm visitors and neighbors about means of controlling aggressive, non-native plants. The Farm also received a Department of Environmental Protection grant to improve the water quality in Lily Pond.

PUBLIC POLICY

Maine Coast Heritage Trust supported efforts by the Land Trust Alliance (LTA) to expand federal conservation tax incentives. The new law, which applies to donations made in 2006 and 2007, raises the deduction for donating a conservation easement from 30 percent to 50 percent of the year's adjusted gross income (and up to 100 percent for qualifying farmers). The law also extends the carry-forward period for taking those deductions from 5 to 15 years. MCHT will be coordinating efforts with LTA during 2007 to make these changes permanent.

The Trust helped fund a major new report entitled *Charting Maine's Future: An Action Plan for Promoting Sustainable Prosperity and Quality Places*. Sponsored by GrowSmart Maine and written by the Brookings Institution, this 144-page report summarizes key patterns in Maine's economic development and recommends specific measures to increase the state's prosperity (including an increased commitment to land conservation).

MCHT partnered with Working Waterfront Coalition members to secure passage of two important bills in the state legislature: a new current use tax program for commercial fishing properties and a working waterfront covenant law that helps relieve development pressure on coastal properties important to the state's fishing industry.



MCHT supported two bills to help protect Maine's working waterfronts.

GIFTS THROUGH TIME

Hugh McLellan Russell spent his life along the Little River in Northport, as two earlier generations of his family had done. He devoted his later years to acquiring adjoining lands so that the area would remain wild. Coyotes, fox and beaver roam beneath mature pines and healthy stands of spruce, fir and hemlock.

In 1997, Mr. Russell met with Maine Coast Heritage Trust to learn about conservation options. He ultimately decided to bequeath his 60 acres to MCHT and in 2006, following his death, the Trust received the land. "We are honored to share in the permanent protection of this important property," observes MCHT Development Director Jonathan Labaree. MCHT retained a conservation easement (ensuring that the land remains undeveloped and accessible) before transferring ownership to Coastal Mountains Land Trust, which will provide long-term stewardship.

"In his bequest, Mr. Russell included a small house lot nearby, fronting on Penobscot Bay, that he indicated could be sold to help fund stewardship of the larger preserve," Labaree notes. "This added gift will help cover the initial project costs, and the land's ongoing care. Mr. Russell was very thoughtful and thorough in considering how best to preserve through time the land he loved."

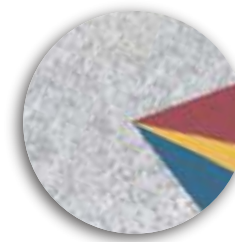


The 60 acres conserved as part of the McLellan Russell bequest help protect the natural integrity of the Little River and afford hikers an array of scenic hiking trails close to Belfast.

FINANCIAL HIGHLIGHTS

PROGRAM REVENUES	2006 Actual
Campaign for the Coast Donations*	\$ 5,576,555
Unrestricted Contributions	1,200,239
Restricted Contributions/Grants	1,269,692
Investment Income	
Used for Operations	1,340,592
Other Revenue	22,030

Totals **\$ 9,409,108**



Where do your generous contributions to MCHT go?

LAND PROTECTION	80%
STEWARDSHIP	9%
PUBLIC EDUCATION AND OUTREACH	7%
FUNDRAISING	4%

PROGRAM EXPENDITURES

Land Protection (80%)	\$ 4,757,935
Stewardship (9%)	546,452
Public Education and Outreach (7%)	228,712
Fundraising (4%)	408,446

Totals **\$ 5,941,545**

Restricted Reserves

Donor-Restricted for Campaign for the Coast**	\$ 3,467,563
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Notes on Financial Information

Maine Coast Heritage Trust is a nonprofit, tax-exempt corporation under section 501(c)(3) of the Internal Revenue Code, a publicly supported organization as defined in Section 170(b)(1)(A)(vi) and not a private foundation under Section 509(a). Contributions are tax-deductible. I.R.S. #23-7099105.

Audited financial statements and opinion letter for 2005 were prepared by Berry, Dunn, McNeil & Parker, CPAs, Bangor, Maine. Copies available upon request.

* Under Generally Accepted Accounting Practices (GAAP), revenue includes contributions pledged but not paid as of year end. This schedule reflects actual contributions received in the year 2006. It does not include outstanding pledges or values of gifts of land.

** Total of restricted reserves gifts dedicated for future land acquisition, stewardship, operating endowments and conservation leadership efforts.

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