

THE
CONSERVATION FUND

Tom Duffus

Vice President & Northeast Representative
(Lead in New York)

Reggie Hall

Director, Southern New England

The Conservation Fund

February 2022

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- ✓ Only nonprofit in U.S. chartered for both land conservation and economic development
- ✓ Expertise = conservation real estate and finance (and some other cool stuff)
- ✓ Non-duplicative of other land trusts – partner-driven, value-added, no map
- ✓ Core work is “pre-acquisition” of partners’ highest priorities, but also...
- ✓ Hundreds of bridge loans to land trusts in U.S. and a handful in Canada
- ✓ >8.5 million acres conserved since 1985, valued at \$7.4 billion (2/2022)
- ✓ Conserved 492,933 acres in New York (2/2022)
- ✓ 193 staff nationwide – lean and mean;
- ✓ Headquarters in Arlington, VA. Field offices across U.S.

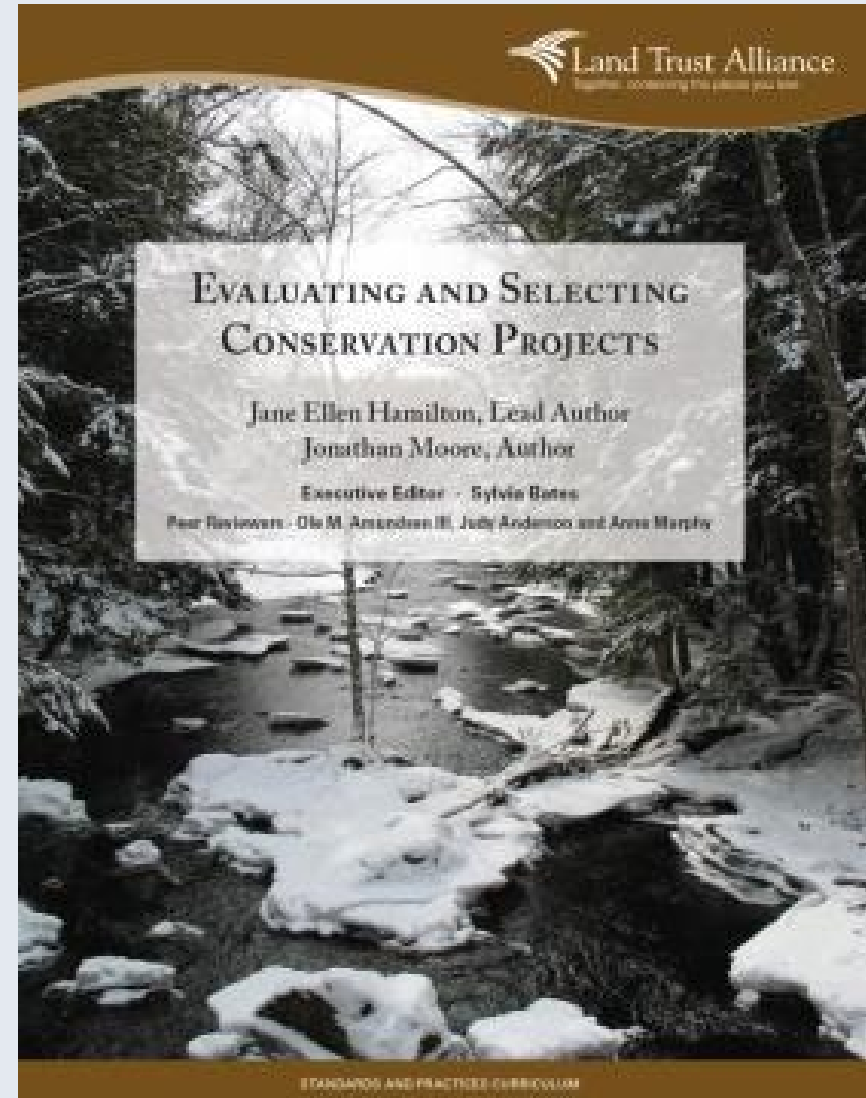


Goals for Today's Session



- Develop a better understanding of how to pay for an acquisition project
- Identify ways to prepare and position organizations to grow in strategic areas
- Learn tips, tricks, and best practices from real world examples

- LTA Standards & Practices
- Consistent with Accreditation Requirements
- Project Selection
 - Who is the project a priority for? → How do you pay for it?



Key Real Estate Elements

- ✓ Appraisal – State/Fed req
- ✓ Phase 1 Environmental Site Assessment
- ✓ Title Review
- ✓ Survey
- ✓ Bargain sale/gift – S & P

Timing

- ✓ Reviews (appraisal/title?)
- ✓ Approvals/assurances of funding



Project Funding Alternatives



Plan A

- ✓ State Grant
- ✓ A little Fundraising

Plan B

- ✓ A Different State Grant
- ✓ Federal Grant
- ✓ Fundraising

Plan C

- ✓ Federal Grant
- ✓ Lots of fundraising

- Get a letter of commitment or intent
→ How high is the priority?
- Reimbursement of Costs?
- Lobbying?
- Due Diligence Requirements
 - ✓ Yellow Book Appraisal?
- Timing



Sample Project Budget

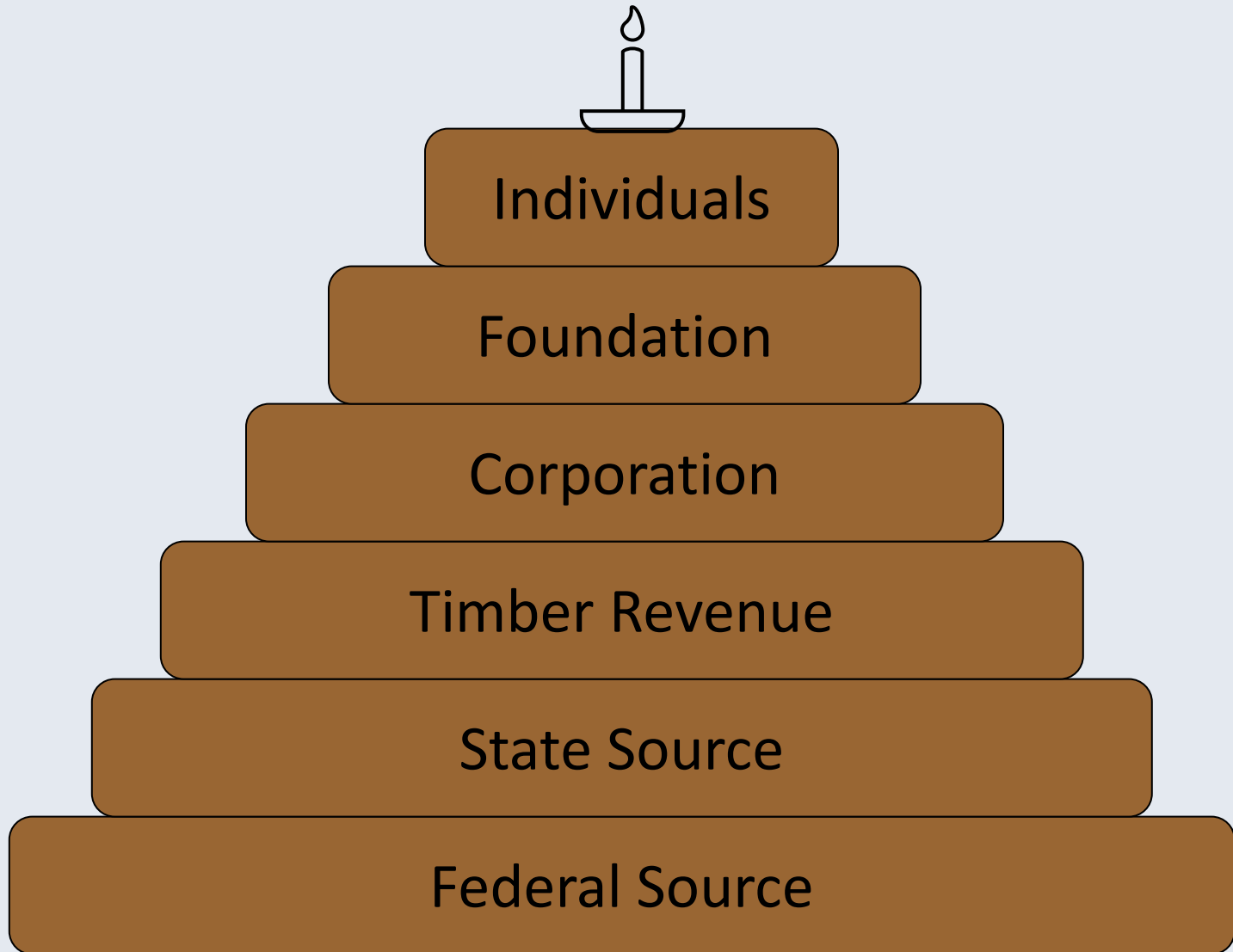
Project Budget for Land Acquisition – *Your Project Name Here*

<i>Item</i>	<i>Amount</i>
Fair Market Value	\$ _____
Purchase Price	\$ _____
Bargain Sale (if applicable)	\$ n/a
Amount Loan Requested	\$ _____
Due Diligence	\$ _____
Legal Costs and Closing (Attorney fees, recording fees, mortgage taxes)	\$ _____
Project Management	\$ _____
Estimated Loan Interest	\$ _____
Property Taxes	\$ _____
Stewardship	\$ _____
Total:	\$ Grand Total

Sample Funding Plan

Source	Amount	Date Applied	Date Award	% Likelihood of Success	Discounted Amount
State Grant	\$300,000	2/15/22	9/20/22	90%	270,000
Foundation	\$100,000	5/15/22	8/15/22	75%	\$75,000
Donors	\$50,000	Ongoing	At closing	75%	\$37,500
Local Grant	\$30,000	10/15/21	In hand	100%	\$30,000
Bargain Sale	\$200,000	N/A	At closing	100%	\$200,000
LT Cash	\$20,000	N/A	In hand	100%	\$20,000
<u>Total</u>	\$700,000				\$632,500

Layer Cake of Funding



What does Bridge Financing Mean?

Bridge Financing or Interim Finance:
Temporary or short-term financing to a borrower who is waiting for more permanent funding and usually is reasonably assured of that funding in the next months or few years.



Why borrow money?

- Accelerate outcomes
- Bridge a time or funding gap
- Save money!
- Keep “powder” dry!
- Leverage limited resources
- Grow internal expertise
- Improve reputation
- Fundraising opportunities



1. Communicate early and often
2. Ask for help!
3. Think like a business
4. Tell a story
5. Thank us
6. Keep us updated



Financing

The “Purchase Capital Stack”

- ❖ Seller providing an Option to Purchase – “buying time”
- ❖ TCF’s Revolving Fund – raised from donors over 37 years
 - ❖ *(hint...We may lend this out to land trusts...)*
- ❖ PRI’s (loans from foundations)
- ❖ New Markets Tax Credits (subsidized loans)
- ❖ TCF’s Green Bond (for TCF “working forest” purchases)
- ❖ Lines of Credit or other loans (including loans from donors, banks, seller)
- ❖ Partners’ \$\$ (*advances* on their purchase from us)
- ❖ Project-specific philanthropy
- ❖ Recoup from final sale of eased/fee lands

Funding

“Dollars in the Ground”

Carrying costs (i.e., taxes, debt service, land management, project management, etc.)

- ❖ Timber (or farm) revenue
- ❖ Hunting lease revenue
- ❖ Cell tower revenue, etc.
- ❖ Philanthropy

Land capital & closing costs

- ❖ Federal – LWCF/Forest Legacy, Community Forest, NRCS, etc.
- ❖ State – NY EPF
- ❖ Mitigation funding
- ❖ Private (TCF, LTA-NY, Partner, Partner’s purchase, philanthropy)

Partner Stewardship Dollars

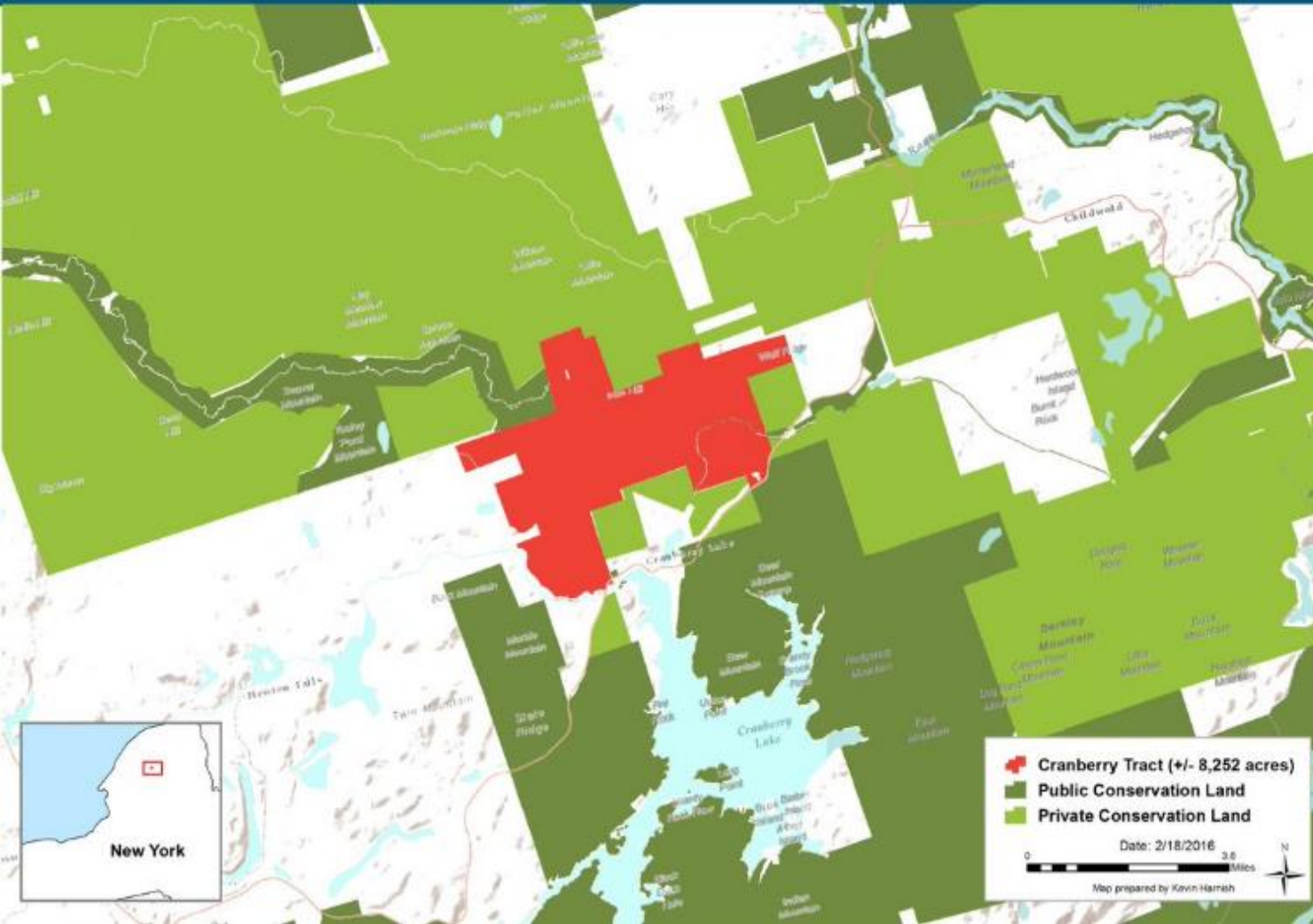
- ❖ Typically private philanthropy
- ❖ Climate Capital (carbon)

Land Conservation in New York Cranberry Forest Project

NYS DEC

Cranberry Lake Tract
St. Lawrence County, NY

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- ❖ TCF buys 8,200 ac.
- ❖ Manages forest
- ❖ Sells conservation easement to NYS on 7,200 acres;
- ❖ sells 950 acres to NYS Forest Preserve;
- ❖ TCF will sell eased lands to revolve our financing for the next project
- ❖ TCF buys 35,000 acres next door

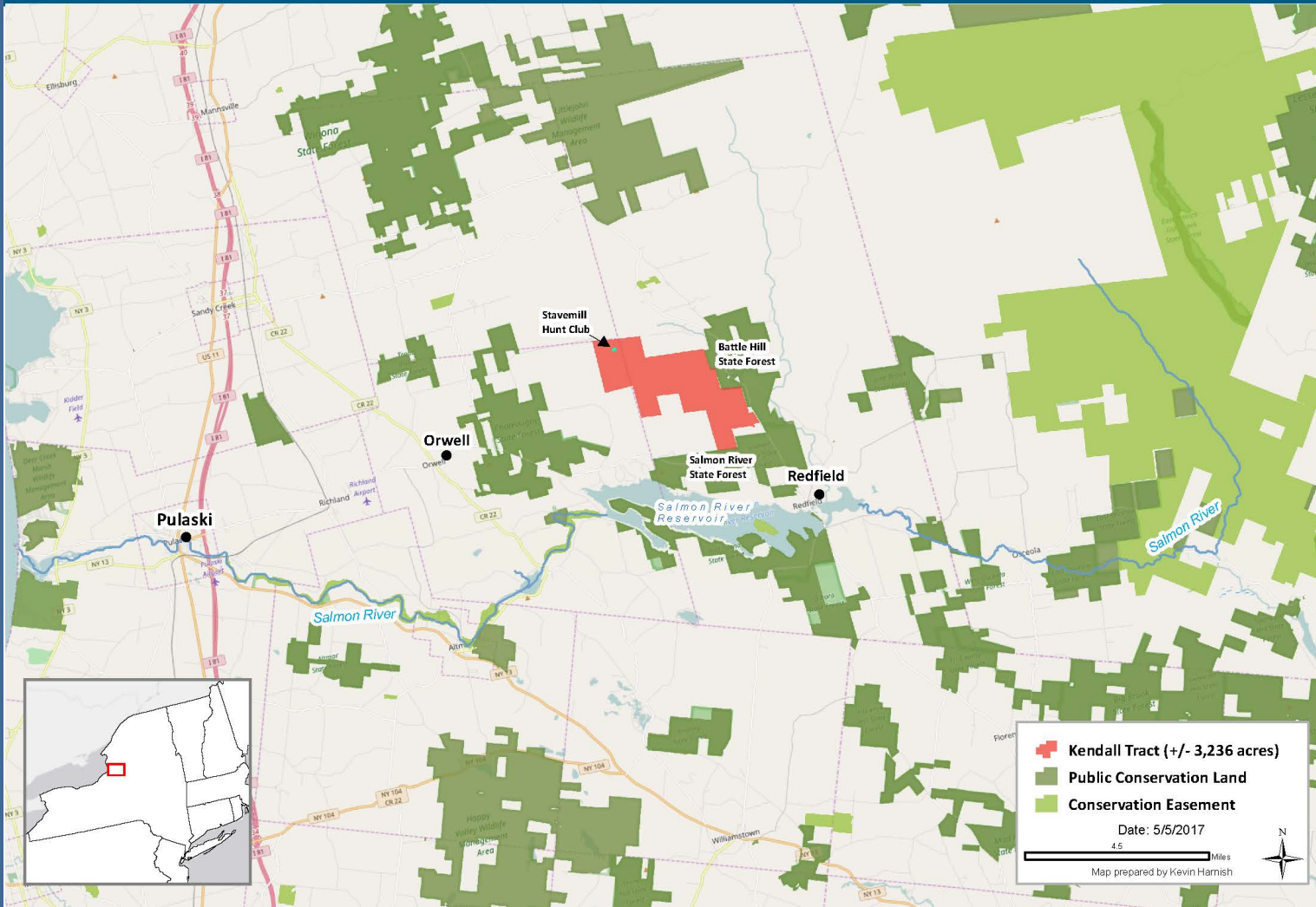
Land Conservation in New York

Kendall Forest Project

Tug Hill Tomorrow Land Trust

Kendall Tract
Oswego County, NY

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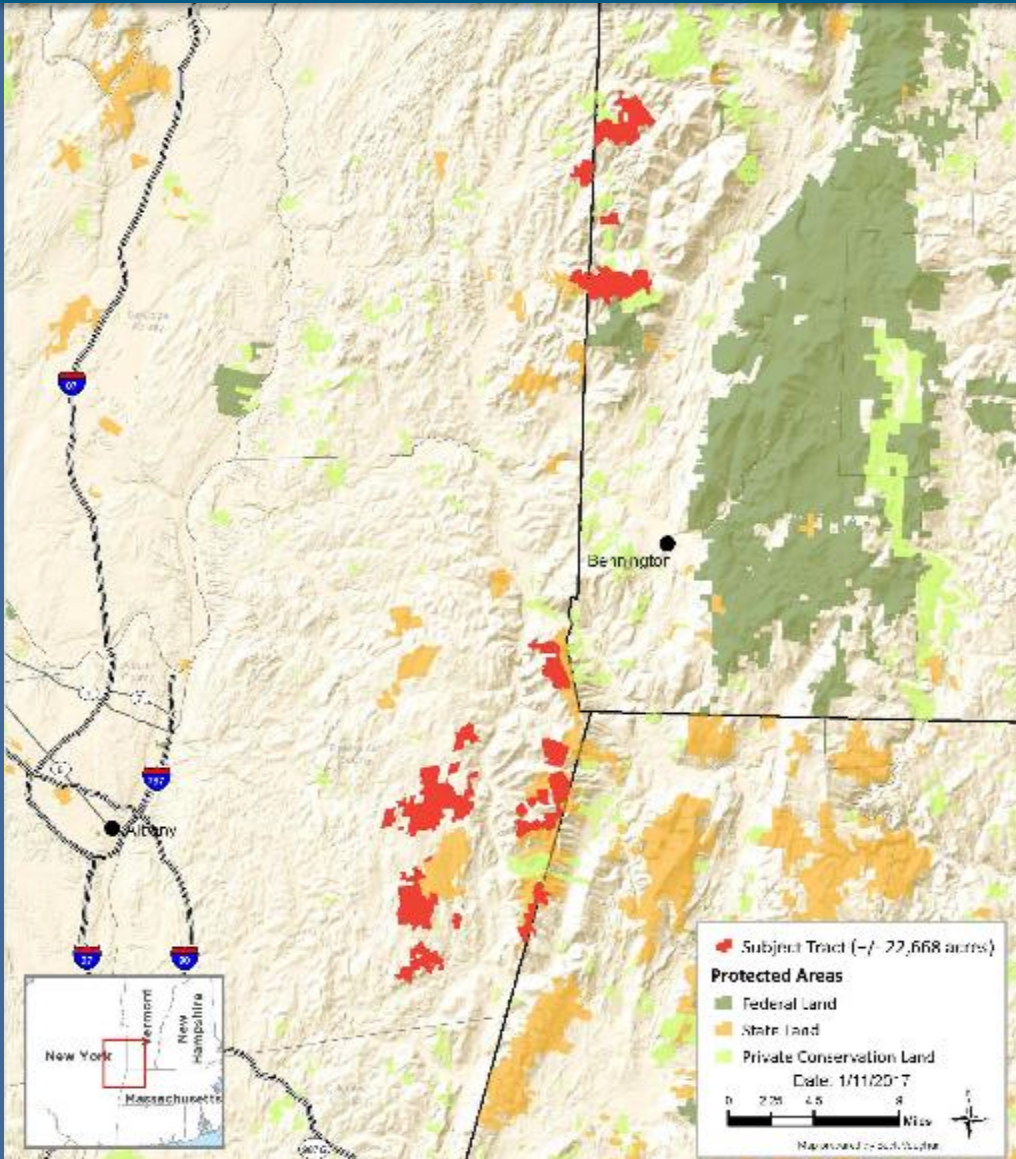


- ❖ TCF takes call from Town Board
- ❖ TCF buys 3,300 acres from investor
- ❖ Gifts CE to THTLT on part
- ❖ Manages forest
- ❖ sells land to NYS as State Forest

Land Conservation in New York

Cowee Timberlands Project

Rennselaer Plateau Alliance



- ❖ TCF takes a call from RPA – HELP!
- ❖ TCF buys 22,700 acres (16,500 acres in NY)
- ❖ Manages forests, pays property taxes, hunting club leases
- ❖ RPA assists with Forest Legacy, P-R and EPF funding
- ❖ RPA conserves inholdings
- ❖ TCF sells land to NYS over time for new Wildlife Management and State Reforestation Areas



- Press Releases, Pitches & Events
- Social Media
- Newsletters
- Volunteer Appreciation
- Elected Official Recognition?

Questions?

tduffus@conservationfund.org
rhall@conservationfund.org

An aerial photograph showing a dense, green forest with a winding river or stream cutting through it. The river flows from the upper center towards the lower right, meandering through the trees. In the background, there are rolling hills and a small lake under a clear blue sky with some light clouds.