

## **Presentations**

**Jeffrey Y Campbell (Ford Foundation).** *Community Forestry in the USA.*

Noting the overlap between counties with high forest cover and high poverty rates, Campbell highlighted the need to equity and community development in addition to large-scale economic or conservation considerations. Campbell gave an overview of the community forestry movement and the Ford Foundation's community forestry initiative.

**Louise Fortmann (UC Berkeley).** *Community-based Natural Resource Management.*

Fortmann gave an overview of academic research on community-based natural resource management in the United States and abroad. She noted key institutional variables necessary for successful community management of working lands.

**Anne Dahl (Swan Ecosystem Center).** *Elk Creek Conservation Area.*

Dahl discussed the Swan Ecosystem Center's acquisition of a 640 acre community forest along Elk Creek in the Upper Swan Valley of MT in cooperation with the Confederated Salish and Kootenai Tribes. The Bonneville Power Administration financed the acquisition to mitigate its destruction of native trout habitat. Dahl discussed the local organizing, acquisition negotiations, and management process.

**Christopher Kelly (The Conservation Fund).** *North Coast Forest Conservation Initiative.*

Kelly gave a presentation on the Conservation Fund's recent acquisition of over 40,000 acres of redwood timber lands in northern California. The Conservation Fund financed the acquisition through public grants, private grants, non-profit capital reserves, and a large, innovative low-cost loan from the State Revolving Fund for watershed protection. Kelly discussed the Conservation Fund's work to involve local residents in the planning for forest management.

**Courtney White (Quivira Coalition).** *Rowe Mesa Grassbank.*

White outlined the concept of grassbanking and reviewed the Quivira Coalition's work on a grassbank in northern New Mexico. White discussed the financial problems faced by that grassbank on public lands (and by grassbanks more generally) and the Quivira Coalition's plans for a second-generation grassbank with an improved balance sheet.

**Paula Garcia (New Mexico Acequia Association).** *New Mexico's Acequias: An Ancient Legacy Facing Modern Challenges.*

Garcia gave a presentation on the structure and history of community-owned and managed irrigation institutions (*acequias*) in New Mexico. Garcia noted the financial challenges facing acequias, the threat from rapid development in the water-constrained region, and the adverse legal environment faced by the Hispano irrigation systems. Garcia outlined the

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legislative advocacy of the NMAA and the litigation history over the acequias' water rights, and she touched on the Association's strategy for water right defense in the future.

**Tom Tuchmann (US Forest Capital).** *Use of Debt in Community Conservation.*

Tuchmann opened his presentation with a brief discussion of conservation finance generally and varying governance options for community forestry. Tuchmann noted that the challenge for conservation finance is to blend capital sources to achieve a cost of capital that is low enough to enable conservation management of acquired working land. Tuchmann reviewed the debt markets, discussed the advantages and disadvantages of debt in conservation transactions, and discussed the use of Community Forestry Bonds™ developed by US Forest Capital in forest acquisitions.

**Eileen Gallagher (Stone & Youngberg).** *Conservation Bonds: A Reaction.*

Gallagher noted that the bond markets would be most concerned with the credit risk of conservation bonds like Community Forestry Bonds, suggesting that up-front proceeds from such revenue bond sales could reflect a significant discount by the markets. Gallagher highlighted factors affecting the predictability and stability of revenues from working land, including political and litigation risks. She suggested that community organizations issuing conservation bonds could secure a higher rating and a lower cost of capital: a) if the bonds were backed by tax revenue should the project revenues fail, b) if the acquiring entity obtained a letter of credit from a commercial bank, or c) if the acquiring entity obtained a collateralized guarantee from a philanthropic foundation.

**Adam Davis (Ecosystem Investment Partners).** *Ecosystem Service Payments.*

Davis gave a presentation on the importance of emerging markets for ecosystem service payments as a vehicle for financing land conservation. Davis discussed wetland mitigation banking, regional water quality trading markets, conservation banking, the emergence of carbon markets, and tradable development rights programs.

**Ernest Cook (Trust for Public Land).** *Conservation Finance Opportunities and Strategies.*

Cook opened his presentation by noting that conservation funds raised by state and local ballot initiatives dwarfed federal conservation spending. \$6.7 billion dollars were raised for land conservation in such initiatives in 2006. Cook offered a statistical review of land conservation ballot measures across the nation; he discussed other state-level conservation finance strategies, noting a wide range of successes; and he highlighted TPL's expertise in the area and consulting services.

**Carlton Owen (U.S. Endowment for Forestry and Communities).** *Engaging Business in Landscape-Scale Conservation.*

Owen gave a presentation on the potential of acre-for-acre offset commitments by companies with large development footprints, in which companies agree to purchase

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conservation easements to offset their developed acreage. He offered a case study of successfully negotiating such a commitment with Wal-Mart.

**William Ginn (The Nature Conservancy).** *Investing in Nature: A New Conservation Framework.*

Ginn opened his presentation by discussing the scale of the threat to natural ecosystems in America and abroad. He argued that the traditional model of conservation, largely driven by public and non-profit funding, has failed to achieve success at a scale that matches the problem. Ginn further noted that much of the conservation movement is perceived as anti-community. Ginn advocated a more market-based approach to conservation, with greater private investment and adequate valuation of ecosystem services. He offered case studies of landscape-scale conservation deals that utilized such an approach.

**Robert Keith (Beartooth Capital Partners).** *Partnering with Private Capital.*

Keith highlighted the fact that land values in the Greater Yellowstone Ecosystem are rising much faster than available philanthropic funding for conservation. He argued that there is a need and an opportunity for partnering with private investment capital to achieve conservation goals. Keith discussed the business model of Beartooth Capital Partners and illustrated a non-profit/for-profit partnership through a ranchland conservation transaction Beartooth accomplished with The Nature Conservancy in Idaho.

**Deborah Brighton (Vermont Family Forests).** *Little Hogback Community Forest, LLC.*

Brighton offered a case study of the financing and acquisition of a community forest in Vermont through an innovative LLC share mechanism. Local residents bought “shares” in a limited liability company that holds title to the forest. The Vermont Land Trust owns a working forest conservation easement on the land. The cost of a share was less than \$3,000, and Vermont Family Forests retained a “first offer” option to buy shares back when they are offered for resale, with the goal of keeping forest ownership within the community. A revolving loan fund was established to help lower-income members of the community purchase shares at a further discount. Shareholders can receive a monetized return on their investment through commercial sales or can receive actual timber and firewood. Estimated annual percentage return on a share is three percent, based on projected timber revenue and asset appreciation. In addition to timber and firewood rights, shareholders enjoy recreational access. Brighton discussed the organizing and financial challenges and the positive impact that the community forest has had on the land and on the community.

**Keith Bisson (Coastal Enterprises, Inc.).** *Linking Job Creation and Affordable Housing with Land Conservation Policy and Practice.*

Bisson introduced Coastal Enterprises and their Northern Heritage Development Fund, which engages in triple-bottom line investing in companies and projects that generate jobs and conservation benefits in New England. The Northern Heritage Development Fund has invested in a number of working forest transactions, helping to ensure that environmental and social

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benefits flow to communities. Bisson discussed the town forest movement in New England, giving a case study of the use of New Markets Tax Credits in the financing of a forest acquisition by Errol, NH.

**Russell Read (CalPERS).** *Institutional Investors and Community Conservation.*

Read opened his presentation by introducing CalPERS as a paradigm institutional investor, discussing the pension fund's fiduciary duties and constitutional obligations. After reviewing CalPERS investment objectives, Read noted that institutional investors would likely only invest in community-based conservation transactions if such investments could outperform the fund's hurdle rate and could be made in scale. These criteria ruled out investments in most small-scale working land conservation transactions, given the limitations on the returns of such transactions and the small capital amounts involved. CalPERS is, however, evaluating a microfinance program with systematic investments in micro-lending and community-based financing.