

Collaborative Conservation and Multi-Parcel Land Protection Projects (Part 2): “Aggregation Toolbox –Resources for accelerating Land Conservation”

Presentation by Steven Thor Johnson, New England Forestry Foundation given at the 2012 Regional Conservation Partnership Gathering on November 13, 2012 in Concord, NH

Notes taken by Max Middleton

The Status of Conservation

- How are we doing?
- What might the landscape look like in 50 years?
 - At current rates of conservation and development?
 - If we meet [W&W](#) goals?
- How might we invent new ways of conserving
- Priorities, efficiencies, less competition, more resources

Let’s get into gear!

- Aggregation
- Every region has unique assets and challenges
 - Funding is different, politics are different, laws are different, culture is different, geography is different
 - Every solution must be equally unique
- Essential elements of successful, multi-parcel collaborative conservation programs with diversification funding sources
- Focus on common strategies and tools for success, rather than trying to offer the definitive “recipe”
- New England Forestry Foundation is developing an “Aggregation Toolkit” of these strategies and tools, plus links to other resources that support collaboration
- We need your questions and your experience to help advance the state of the art in collaboration conservation

Aggregation has several key components:

What is Aggregation?

- Partnerships are established among several conservation organizations and agencies across defined landscape
 - Includes donors and land donors
- Collaborative work to raise acquisition funds and complete conservation easements
 - Particularly private funds
- Relationships are sustainable with forest landowners to encourage and support good stewardship

- Land trusts build capacity to ensure perpetual stewardship of conservation easements
 - o Must be able to understand landowners' problems.
 - o We need to keep clear lines of communication

Aggregation has advantages

- Conservation is accelerated
- Competition for funds is reduced
- Easement documents may be standardized, ensuring that they are in most current accepted legal form and easier to steward
 - o This can be a huge time and resource saver
 - o Makes it easier and more attractive for the landowner
- Stewardship programs are strengthened and funded

Why is collaboration rare?

- Not knowing the answer
- Unclear or uncomfortable
- Too much talking, not enough doing
- Information over-sharing (of unnecessary information)
- Fear of dispute
- More work
 - o Which requires restructuring
- More hugs than decisions
- It's hard to know who to praise and who to blame
 - o *It is not clear credit will be equally shared-which is important when funding is thin!*

Aggregation Ingredients

- Capable Land Trusts
- Trusting, Resilient collaboration
- Entrepreneurial leadership
- Great Communication
- Commitment to excellence

Shaping your RCP for Aggregation

- Define your region
- Create a vision
 - o You need to have a sellable story
- Develop commitment to shared conservation and fundraising
- Identify and address leadership
 - o Understand that there will be changes
- Understand and clarify role(s) and responsibilities of the convening organization

- Lack of clarity at the beginning can lead to uncertainty and disputes down the road

Setting joint priorities

- What is the problem you will address
- What resources are of concern to the collaboration
- Create a regional conservation plan
- Identify what types of properties and landowners to contact
 - How do you determine who will be willing?
 - Start with email lists?
 - Use smaller groups to gain familiarity
 - Eventually face to face meetings are most effective

Drafting and adopting the agreements

- Memorandum of Understanding
- Memorandum of Agreement
- Project criteria and tracking database
- Fiscal management agreement
 - Who holds onto the capital/ deals with the legal work?
 - How are they compensated?
 - How does this change the nature of the organization
- In some cases, it may be necessary or beneficial to form a new legal entity to address these issues

Why are these important?

- IRS has lots of codes to follow
- It is required that partnerships are documented
- It can get complicated quickly, and can become overwhelming if these issues are not addressed at the start

Engaging landowners by teaming up with foresters

- Local and regional consulting foresters are potential partners in identifying landowners with an interest in conservation
- They know the lay of the land – some are community leaders
- This can also broaden participation and credibility in community

Use a standard conservation easement?

- Working woods
- Forever wild
- Watershed protection

If not, Why not

- Enhances clarity in communication

- Provides for greater efficiency
- Simplifies stewardship

Include “Fee Simple” acquisition?

- What is the best path to good stewardship?
- What is the price differential between acquisition and private ownership under CE?
- Is there resistance to loss of tax revenues?
- How do you judge the cost benefit tradeoffs?
 - More public access?
 - Income opportunities for the land trust?

New models for due diligence and saving money

- Standardization and efficiency in:
 - Appraisals
 - Negotiations
 - Legal services
 - Baseline documentation
 - Easement monitoring
- Yields more secure options with landowners

Project Funding decisions:

Options

- Landowner discount (bargain sales)
- Local fundraising (all sources)
 - “Primes the pump”
 - Local land trusts can be crucial here
- Public funding (municipal, state, federal)
- New sources (large foundations, PES, carbon credits, etc.)

Collaborative Fundraising

Benefits:

- Creates more comprehensive project
- Promotes sharing and learning
- Attract bigger grants and larger funds
- Avoid duplication
- Give funders better ROI
- Realize efficiencies
- Increase credibility

Challenges

- Conflicts
- Time consumption to coordinate
- Complicated financing
- Less flexibility
 - Partner is depending on your commitment
- Finite funding sources

Raising Funds

- Draft case for support
 - Marketing is key
 - Have clear objectives
- Feasibility prospect identification
 - Gauge potential interest
- Interviews and feasibility report
- Campaign Cabinet
 - Community leaders, potential funders/fundraisers
 - Who can raise money?
- Timeline/phases
- Final case for support
- Lead gift
- Publicity at launch
- Quiet phase

Administering the funds

- Allocating funds fairly
- Funding related costs, including organizational overhead
 - There are a number of hidden costs which should be addressed early in the process – there needs to be clear and open dialogue
- Fiscal agent fee
 - Whoever is managing funds should get a management fee somewhere around 4 to 6 %

Closing Projects

- Maintaining or enhancing quality
- Ensuring fiscal accountability
- Providing for long term stewardship

Refining the Process

- What are your milestones and decision points?

- MOA
- Conservation plan
- Case statements
- Feasibility study finding
- Landowner agreements
- Capital campaign results
- Phase I projects completed
- Proceed to Phase II

Evaluating success

- What are the appropriate measures?
- Bucks and acres
- Percentage of focus area?
- Happy landowners?
- Happy communities?
 - What are the true marks of success or accomplishment?

What if you don't continue?

- Assess the pros and cons
 - There is still learning to be done
- Describing the benefits
- Communicating with landowners and donors
 - You want to keep these relationships
- What happens to the RCP?
- Are there important reasons to keep together if collaborative land transactions are over?
 - Maybe as allies in getting a message out

Q: Are there third party moderators out there to help negotiate collaborations or partnerships?

A: Yes! This can be a great resource for overcoming the discomfort and tension collaboration can cause. Third parties can be neutral and suggest structures most appropriate for the advancement of environmental conservation.

We need to learn from prior cases, too. These are important to reflect on as we move forward. This will be the point of the "toolkit".

We need to get our language squared away! Everyone has to be on the same page – we need a common vocabulary so that we can share ideas with minimal friction.

Q: Where does private equity come in?

A (from private equity rep): They help with large-scale transactions – they help with hitting upfront costs while funds are still being raised, or sometimes, they will help

buy land to be sold soon. They will facilitate deals that allow them to take the timber while allowing the land to stay with the trust.