

# **Sustainable Funding Mechanisms for Restoration Work**



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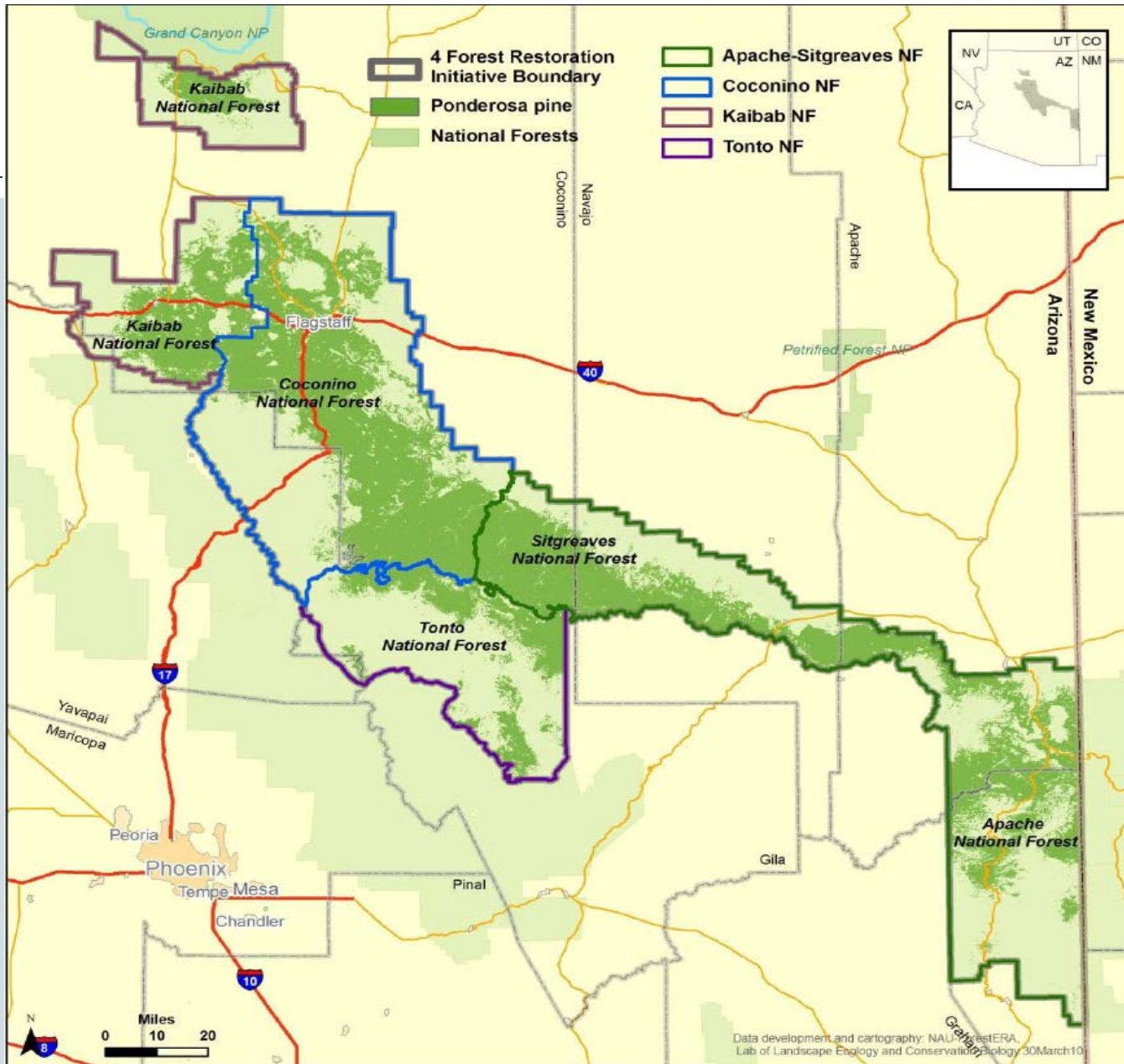


# The Need



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# 4FRI

• 2.4M Acres

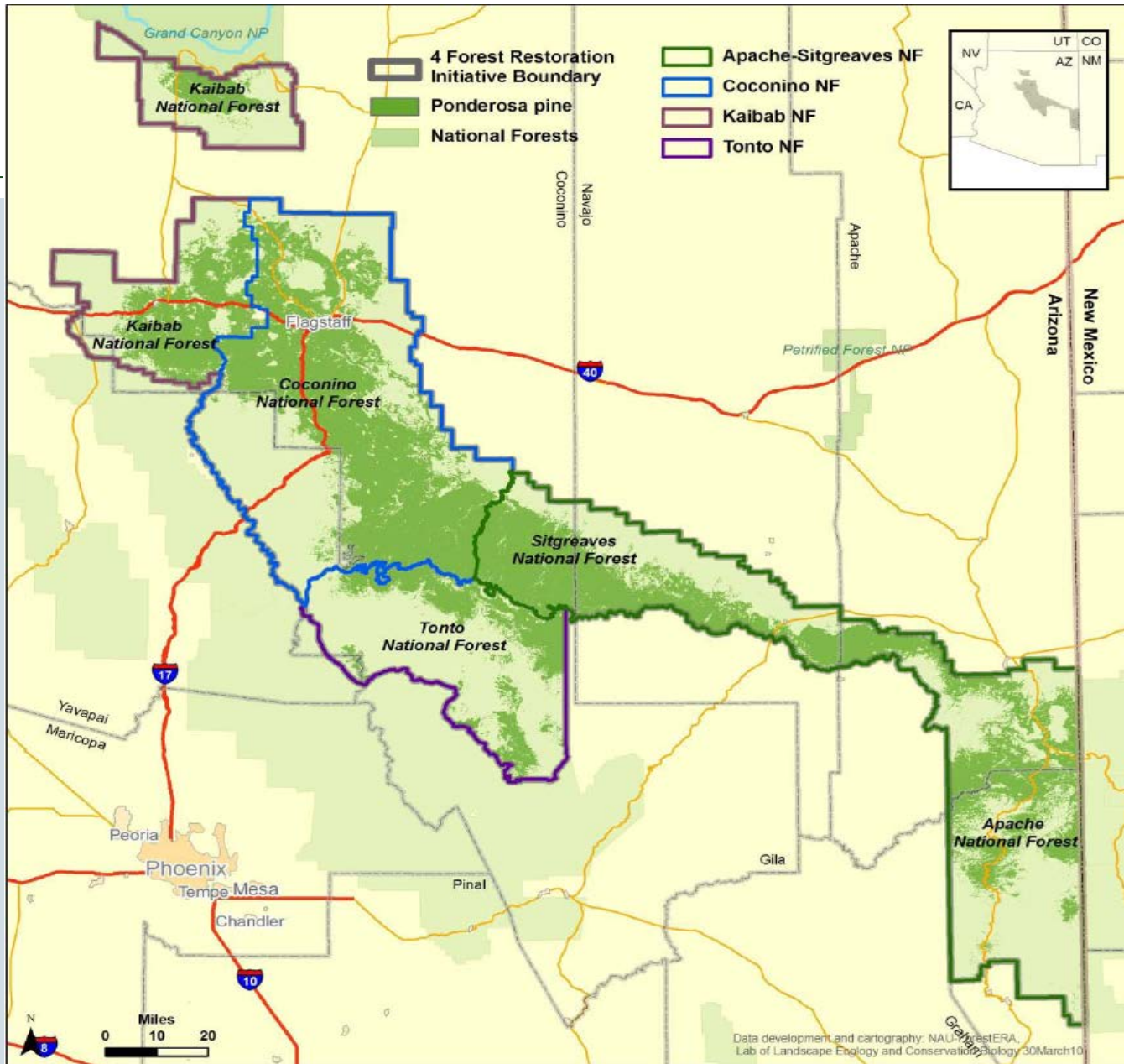
• 4 National Forests

# Funding Needs

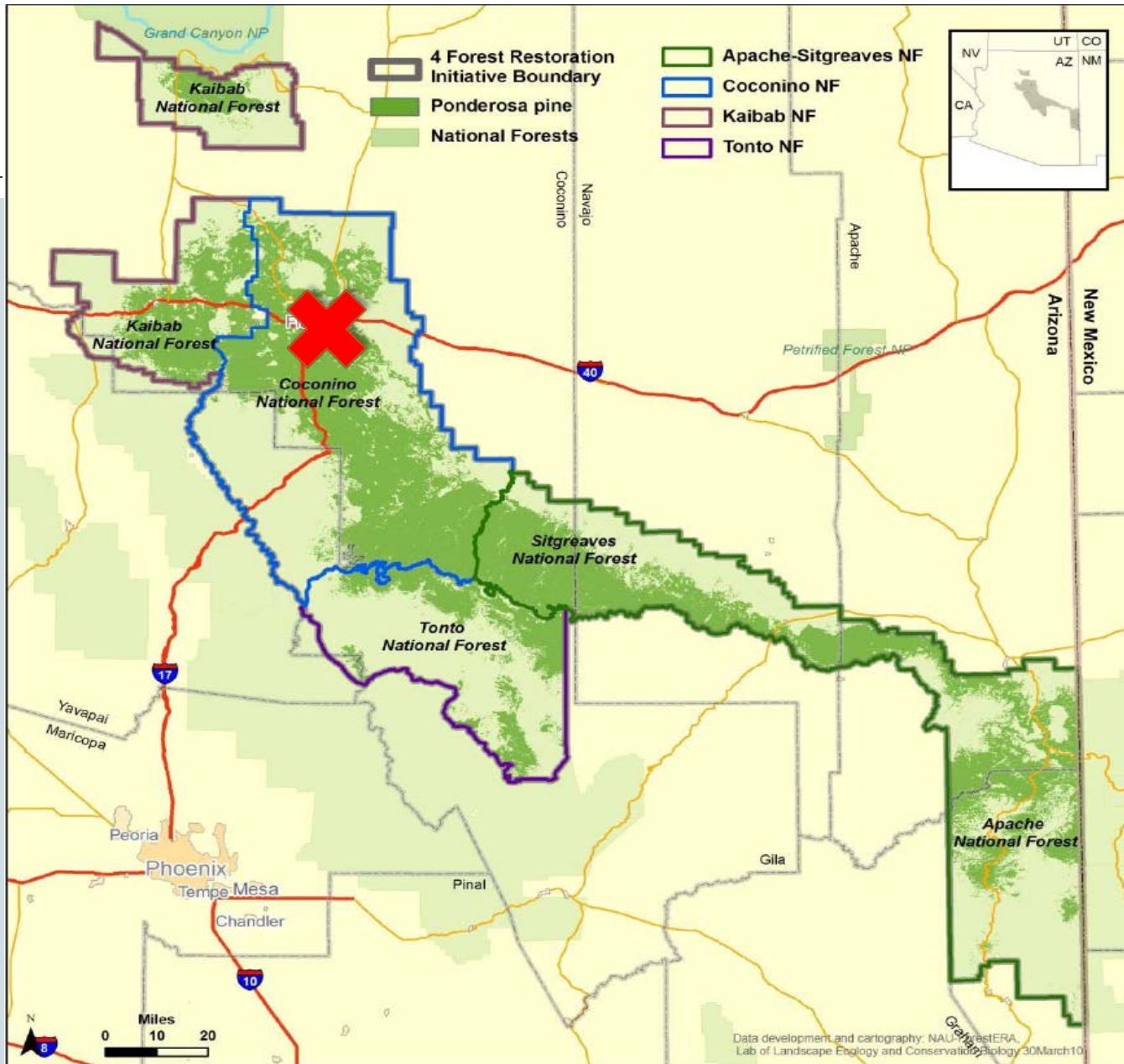


- Mechanical thinning
- Complementary restoration activities
  - ✦ hand thinning
  - ✦ wildlife habitat improvement
  - ✦ spring and channel restoration
  - ✦ aspen protection
  - ✦ road closures
  - ✦ invasive species removal
- Ecological and socio-economic monitoring
- Long-term maintenance of treatments





# Funding Strategy



# Funding Strategy

## 1. Local





# Funding Strategy

1. Local
2. State-wide



# Flagstaff Bond Question #405



**Amount: \$10,000,000**

**Description: *To prevent flood damage to the City of Flagstaff (“City”) and to protect the City water supply from damages which occur from large-scale and/or severe wildfire(s) in two watersheds serving the City***



# Flagstaff Bond Question #405



- **Accelerate planning and treatment activities within 4FRI area near Flagstaff**
- **Leverage other State and Federal funds**
- **Expand scope and size of planned forest treatments:**

Rio de Flag –

4FRI funding –  
City bond –

2,360 acres

6,780 acres

-----  
9,140 acres

Lake Mary –

4FRI funding -  
City bond -

32,000 acres

4,000 acres

-----  
36,000 acres

# Why Flagstaff?



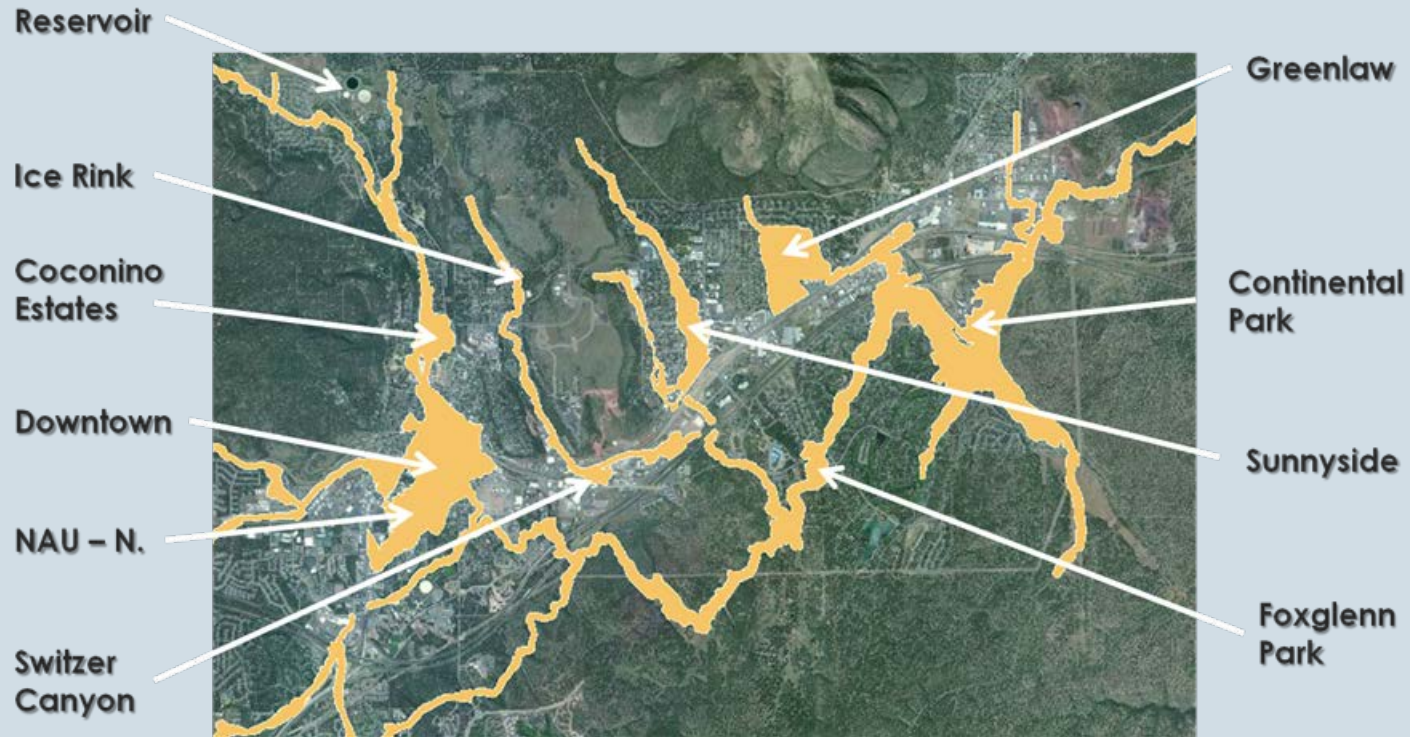
- Strong Need → Fire



# Why Flagstaff?



- Strong Need → Flooding





# Why Flagstaff?



- Strong Need → Water



# Why Flagstaff?



- Strong Need → Fire, Flooding, Water
- Proximity and relationship to the forest

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# Why Flagstaff?



- Strong Need → Fire, Flooding, Water
- Proximity and relationship with the forest
- Favorable politics
- Timing → 2010 Shultz Fire





# Why a Municipal Bond?



## Benefits

- Provides more immediate funds
- Low administration costs
- Timing → retirement of older bonds

## Challenges

- Voter approval needed
- Increase in secondary property taxes

# Process of Question #405



- *March 2012* – Initial meeting with city commissions

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# Campaign Methods



- Presentations
- Post Card Mailers
- Yard Signs
- Media Outlets
- Email Blasts
- Website

**PROTECT**  
Our Water...  
Property...  
and Lives!  
**YES ON 405** ✓

PAID FOR BY PROTECT OUR WATERSHEDS/SUPPORT#405

**PROTECT**  
**Our Water...**  
**Property...**  
**and Lives!**

*"I'm voting YES ON 405 to help protect Coconino Estates, Downtown, Sunnyside, Continental, other Flagstaff neighborhoods, and NAU's campus from the consequences of big wildfires and severe flooding."*

—Celia Barotz, Flagstaff City Council



[www.sites.google.com/site/yeson405](http://www.sites.google.com/site/yeson405)

Forest Health and Water Supply Protection Project

**VOTE YES** ✓ **ON 405**

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- *Oct 2012* – **74% Voter Approval**

# Issues Important to Supporters



- 55% - Reduce the risk of post-fire flooding
- 54% - Protect city water resources
- 36% - Invest now to avoid future costs
- 34% - Flagstaff and USFS will use money efficiently
- 33% - Reduce the risk of catastrophic fire
- 32% - Investment will have clear outcomes
- 16% - Feds do not have sufficient resources
- 4% - This will not cost much money



# Issues Important to Opposition



- 55% - My taxes are already too high
- 37% - Flagstaff and USFS will waste the money
- 30% - I cannot afford to pay
- 19% - Forest restoration not solution to water supply
- 17% - I am opposed to thinning the forest
- 15% - Private industry should pay for restoration
- 15% - Unfair for citizens to pay for these projects
- 12% - Feds should pay for restoration on Fed land
- 3% - There are no real risks of future flood or fire

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- *ONGOING* – Planning and implementation

# Lessons Learned from #405



1. Get buy-in at the right levels
2. Timing is very important
3. Campaign on community's past experiences
4. Target your voters

# Flagstaff Bond Question #405



# QUESTIONS?





# Funding Strategy

1. Local
2. State-wide



# **AZ Watershed Investment Fund**



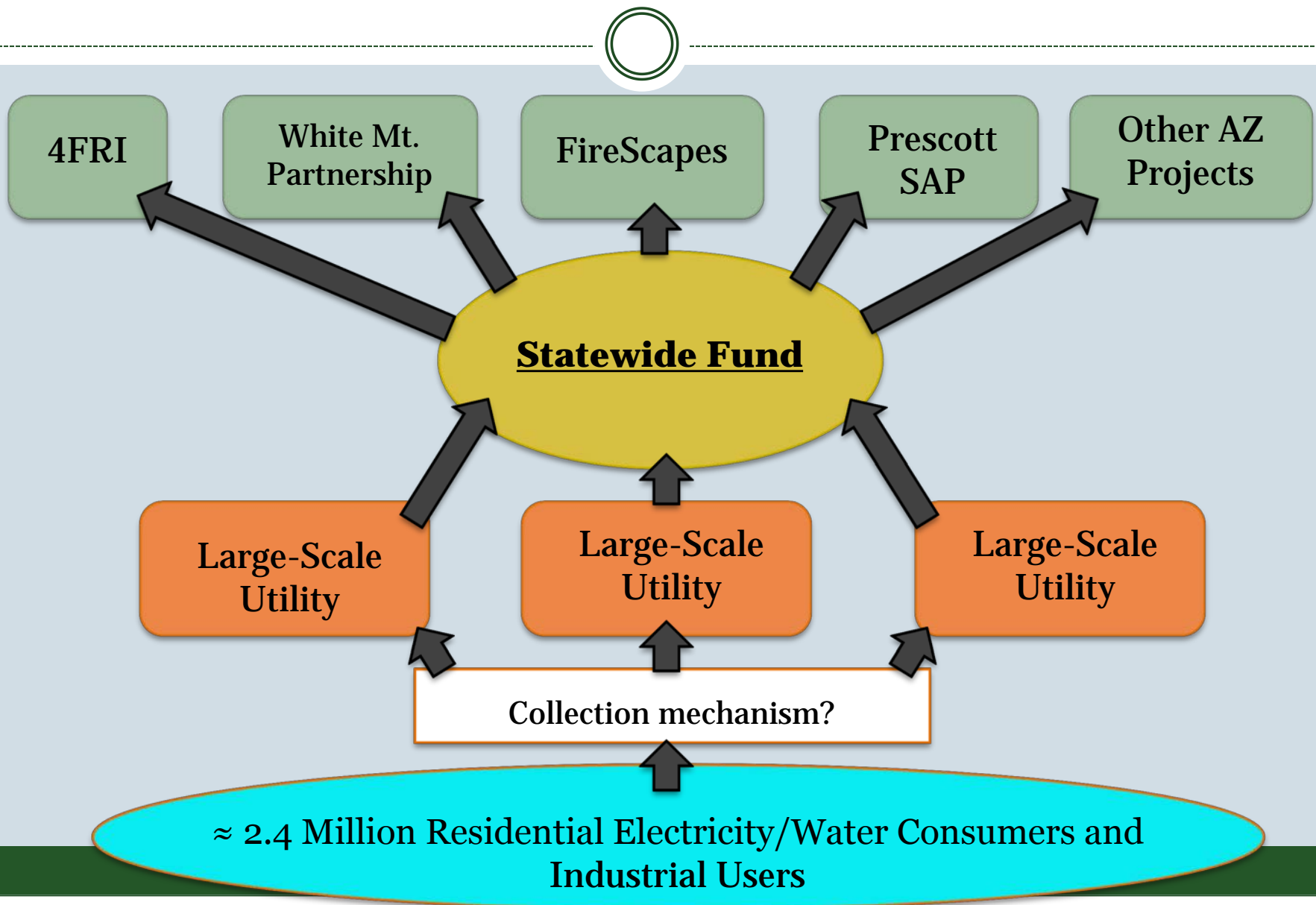
**Forest Restoration Collaboratives, State and Federal Agencies, Universities, NGOs, and others partner with large-scale utilities and other AZ businesses to raise funds to support statewide restoration efforts**

# AWIF Mission



- To encourage statewide awareness of need for and benefits of forest restoration
- To invest in the protection and conservation of Arizona's forests and riparian ecosystems by funding on-the-ground restoration activities that:
  - Significantly reduce the risk of catastrophic wildfires
  - Improve water supplies
  - Enhance wildlife habitat
  - Create recreational opportunities
  - Generate jobs for Arizona residents

# AWIF Structure



# AWIF Structure



AFRI

White Mt.  
Partnership

FireScapes

Prescott  
SAP

Other AZ  
Projects

*Assuming full participation from  $\approx 2.4$  million  
customers:*

**$\rightarrow \$0.25/\text{customer}/\text{mo} = \$7.2\text{M}/\text{Yr.}$**

**$\rightarrow \$0.10/\text{customer}/\text{mo} = \$2.88\text{M}/\text{Yr.}$**

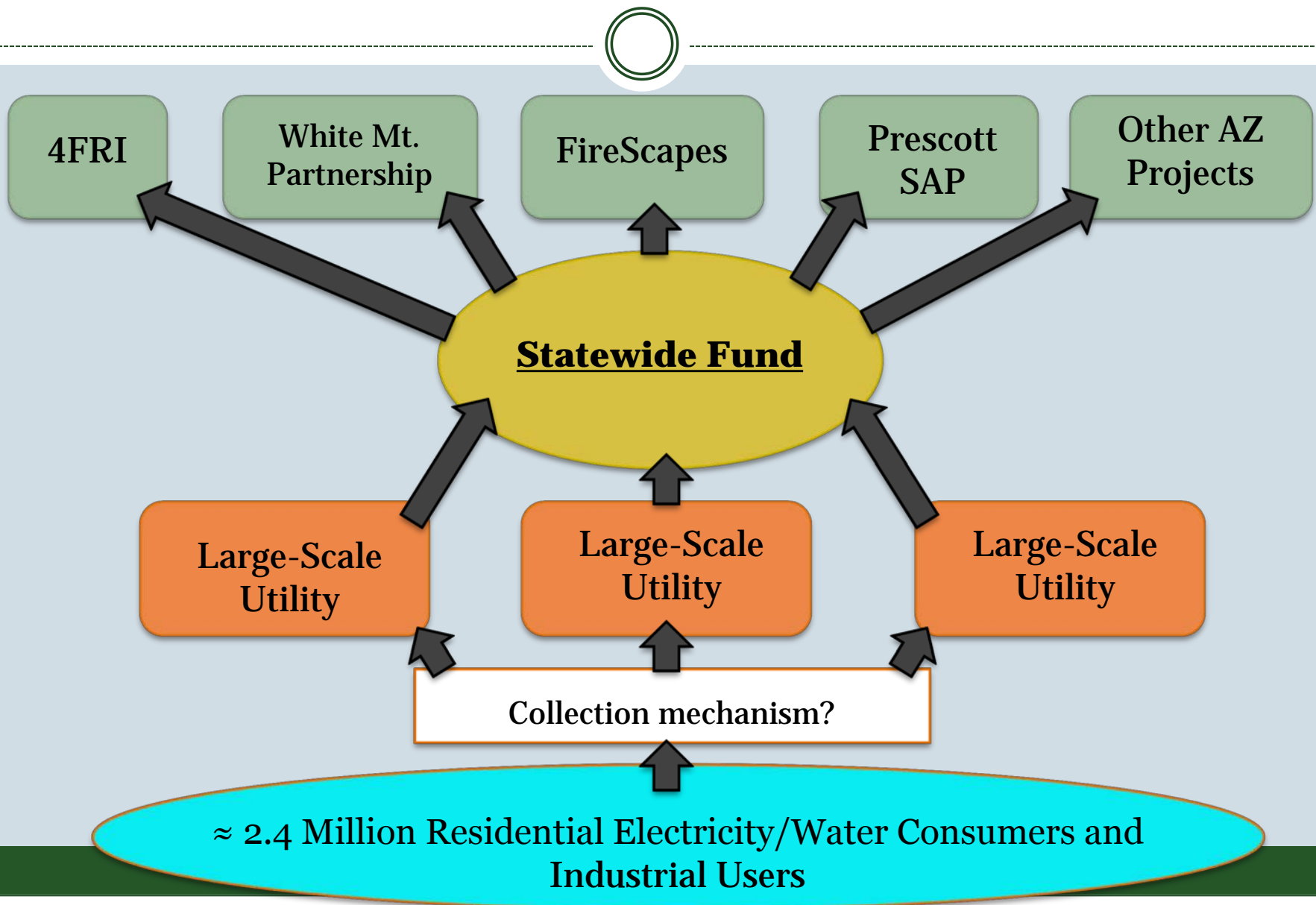
Utility

Security

Opt-out  
through ut

$\approx 2.4$  Million Residential Electricity/Water Consumers

# AWIF Structure





# Why Do Utilities Want to Partner?



- Significant beneficiaries of restoration activities
  - Infrastructure protection – “Protect our pines and power lines”
  - Water delivery -- “Forest to faucet”



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- **Significant beneficiaries of restoration activities**
  - Infrastructure protection – “Protect our pines and power lines”
  - Water delivery -- “Forest to faucet”
- **“Good Steward” and “Green” marketing opportunities**

# Utility-based Partnership Opportunities



- **Uniquely efficient distribution and collection mechanism**
  - Collection of opt-in or opt-out donations from ratepayers
  - Outreach and education to customers
    - ✦ Bill inserts
    - ✦ Development and distribution of outreach materials
- **Facilitating fundraising with other businesses**
  - Supporting interactions b/t AWIF and key accounts

# Challenges to Utility Partnerships



- The speed (or slowness) of change
- State regulation
- Institutional barriers
- Desire/need for control of expenditures

# Next Steps for AWIF



1. Long-term Strategy
2. Short-term Strategy



# Questions and Discussion

