



Monetizing Conservation Capital

Trends & Innovations/Apps & Watersheds

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*Sustainable Funding Mechanisms
Webinar*

*Tamarisk Coalition
February 28, 2013*

Agenda

- I. Introduction
- I. New Sources of Funding & New Funding Strategies
- I. Building New Models To Monetize Conservation Capital
- I. Monetizing Watershed Services
- I. Conclusion
- I. Questions?

our Goal

Conservation Spending



Past

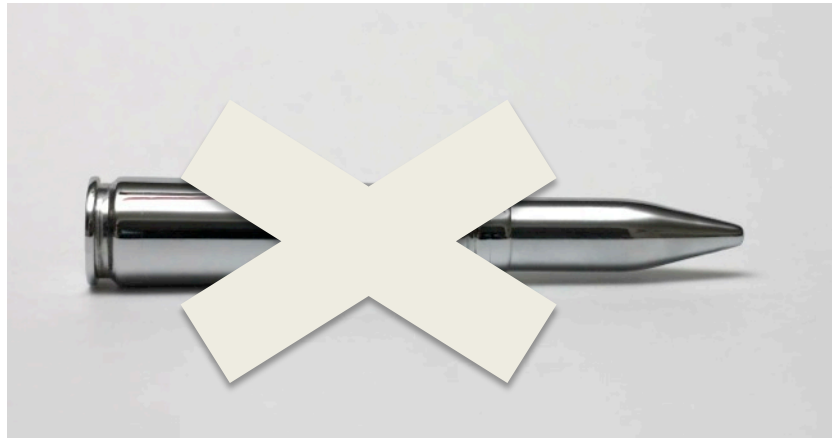


Today



Future

Funding Mechanism Trends



No More Silver Bullets

Full Range - Conservation Finance Sources

- Philanthropic Capital

- Traditional Sources

- Individual Donors
- Foundations
- Businesses & Corporations
- Institutional, Corporate & Nonprofit Collaborations
- Conservation Buyers

- Voluntary Surcharges

- Voluntary Private Transfer Fees

- Trade Lands

- Donor-advised Funds & Aggregators

- Web & Phone Applications

- Tax Benefits

- Federal/State Tax Deductions

- New Markets Tax Credits

- State Transferable & Non Trans. Tax Credits

- Public Capital

- Fed. Conservation Programs (LWCF, DOT, etc.)

- Special Fed/State Designations

- State/Local Ballot Initiatives

- State/Local Specific Use Taxes/Fees/Incentives

- State/Local Conservation Programs

- Local Improvement Districts

- Private Capital

- Payments For Ecosystem Services

- Habitat & Species Mitigation/Banking
- Function Trading (e.g., water, nutrients, carbon)
- Watershed Services Payments
- Natl. Res. Damage & Other Env. Settlements
- Federal Power Act /Relicensing

- Tradable Land Use Rights

- Conservation Development

- Agriculture & Timber Revenue

- Other Income from Conservation Land

- Fee for Services

- Cause-related Marketing

- Social Impact Investors & Models

- Conservation Investors

- Financing

- Philanthropic

- External Revolving Loan Funds
- Internal Protection Funds
- Foundations (incl. PRIs)
- Conservation Lenders & Guarantors

- Private

- Commercial & Farm Credit Lending
- Seller Financing

- Public

- Fed/State Revolving Loan Funds
- Tax-Exempt Debt

Era Of Multiple Financial Sources



- Landowner discounts/participation

- Traditional charitable gifts

- *Local & designation-based* public funding

- Fee for services

+ New Sources of *Conservation Capital*



▪ Landowner discounts/participation

▪ Traditional charitable gifts

▪ *Local & designation-based* public funding

▪ Fee for services

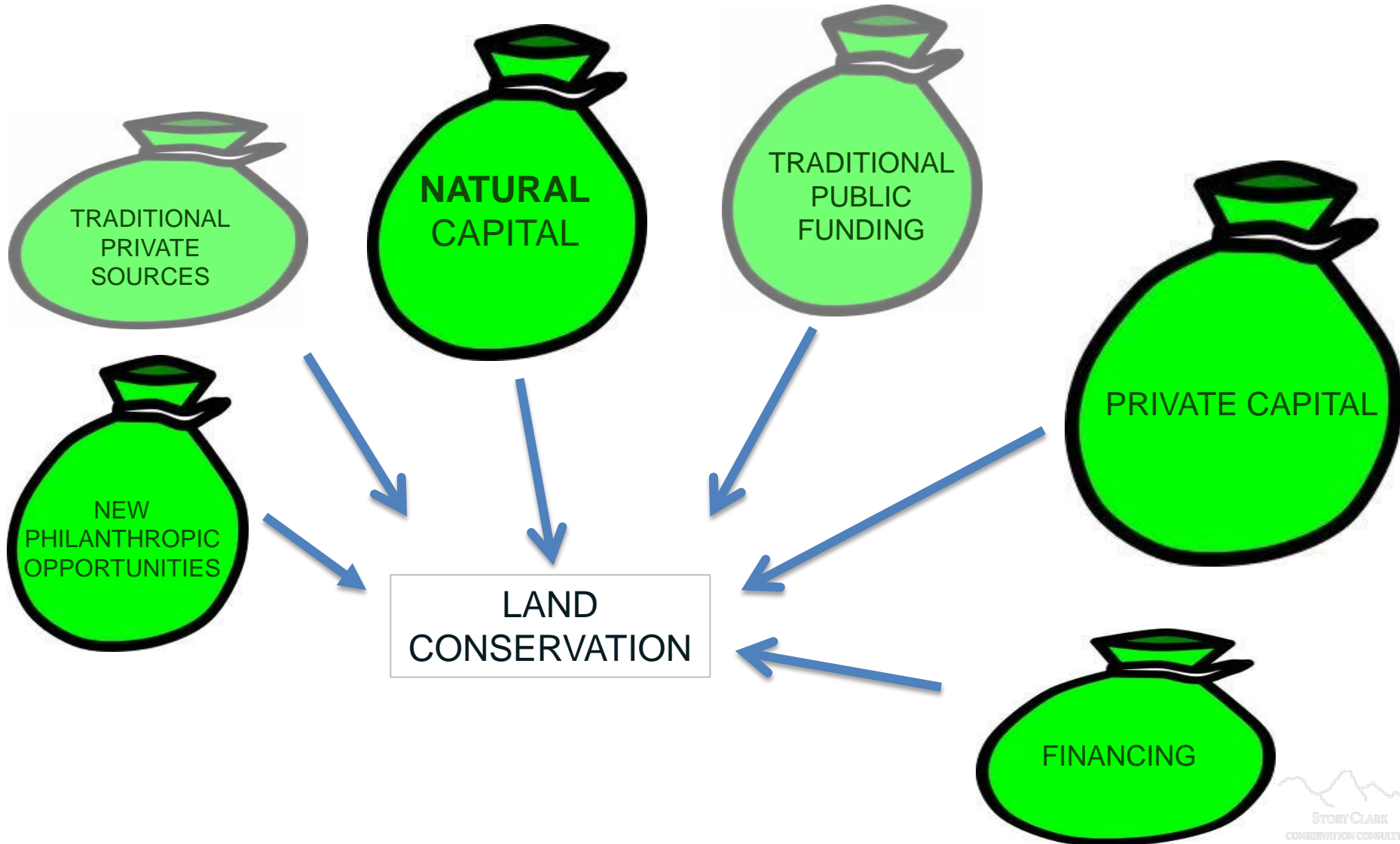
▪ **Community collaborations**

▪ **New financial capital access**

▪ **Monetized ecosystem services**

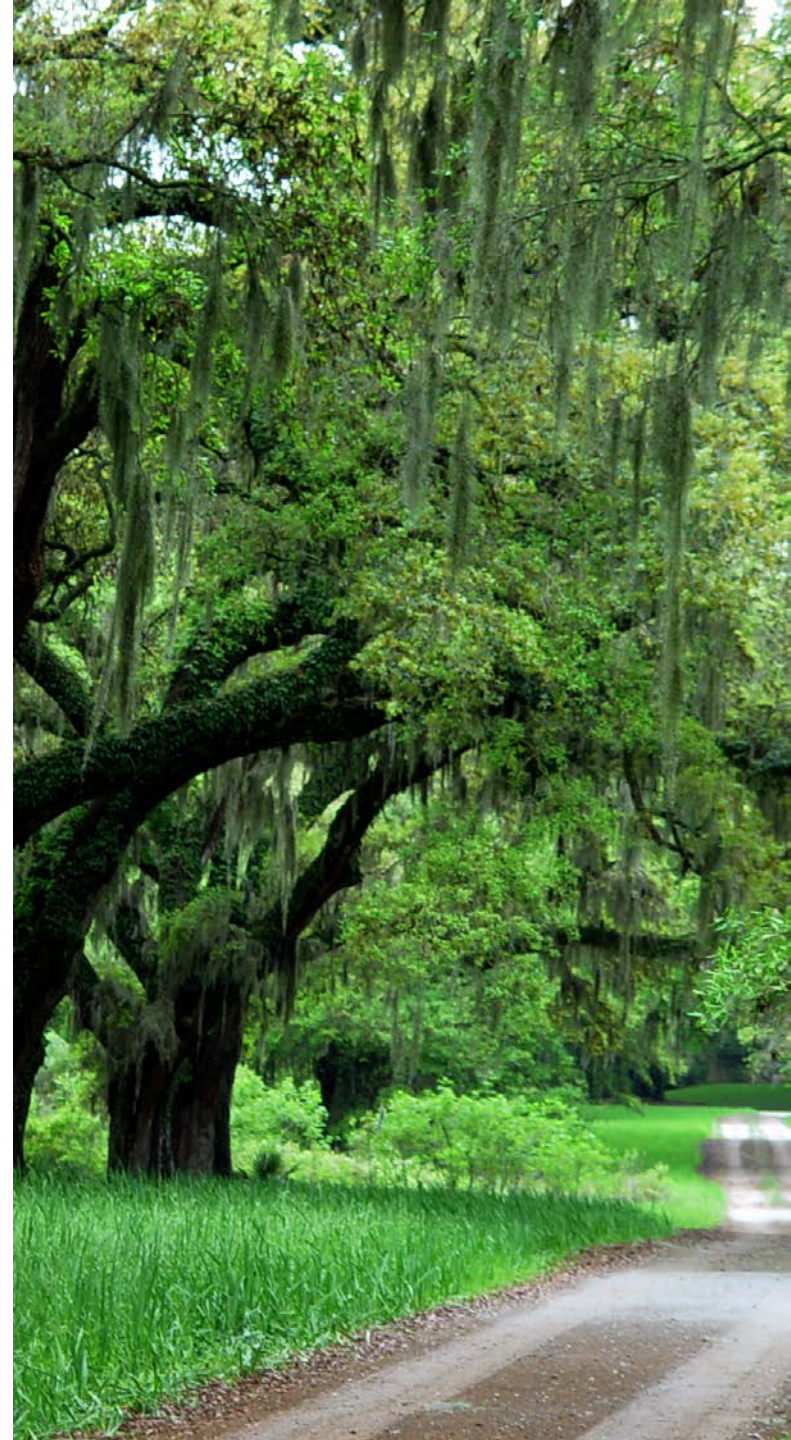
▪ **Watershed payments**

New Strategies for Finding Funding



Strategies To Tap New Conservation Capital

- Identify assets
- Build *strong* relationships to access them
- Learn from case studies
- Develop tools to monetize
- Test
- Adjust & monetize



Where Is That New Conservation Capital?

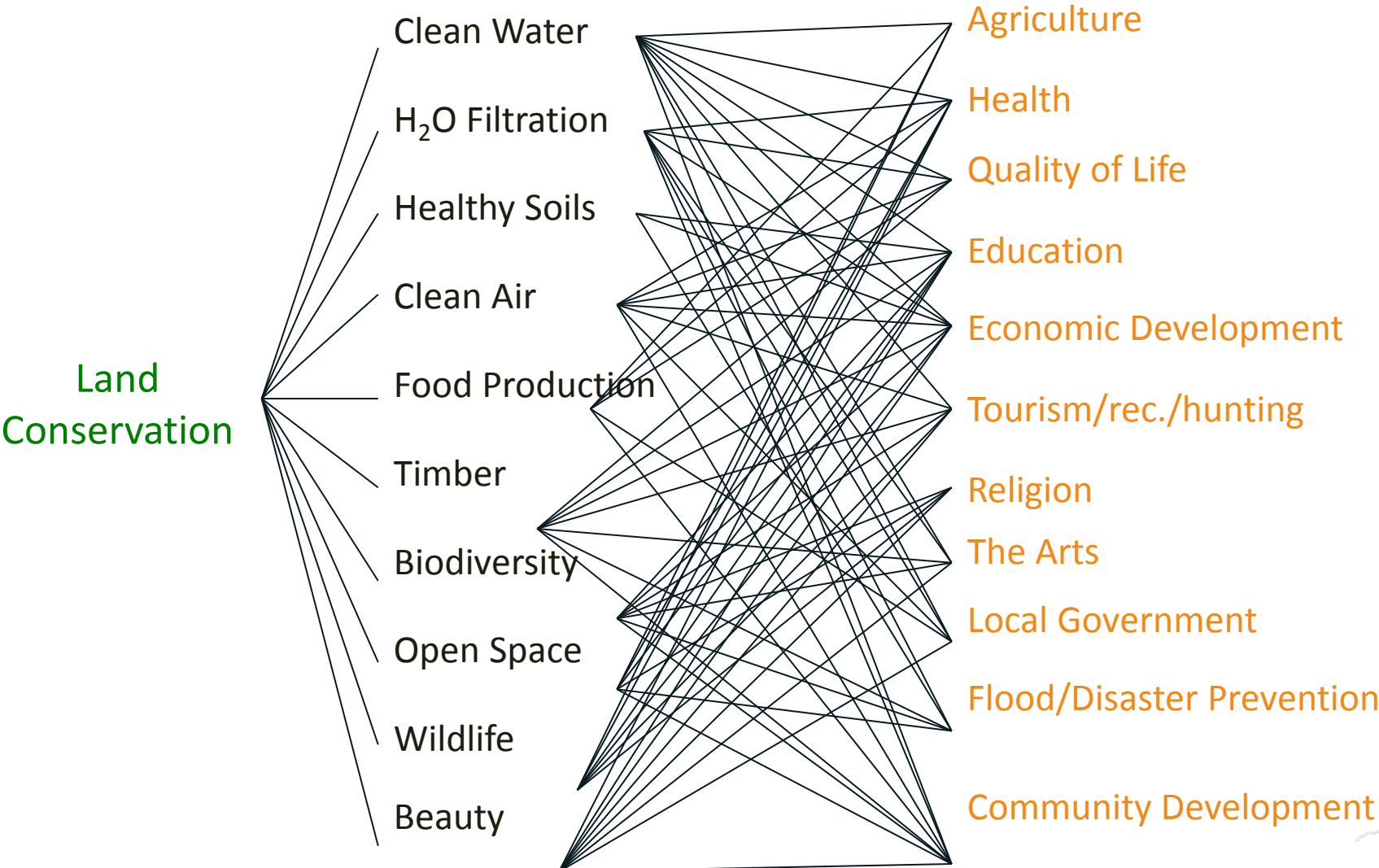
- Community Capital
- Who are potential partners *with funding*?
- Financial Capital
- Where's the \$\$ & how do you access it (legally)?
- Natural Capital
- What in nature can be monetized?

Community Capital

Where is the **community capital** in your community?

- Other nonprofits?
- Voters?
- Private sector?
- Political leaders?
- Government agencies?

Conservation – An Unrecognized Foundation of Community Capital



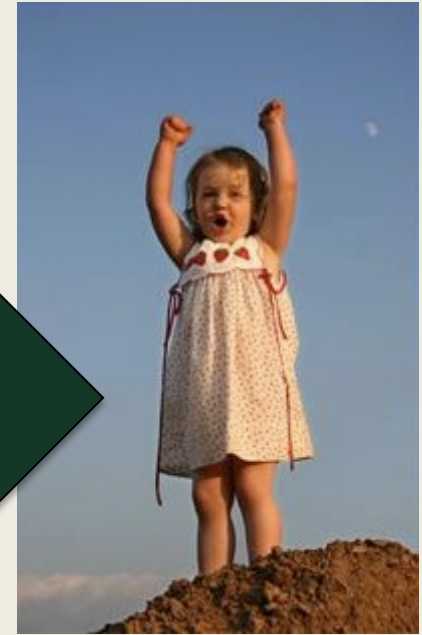
So Make The Human/Community Connection



Healthy
Ecosystem

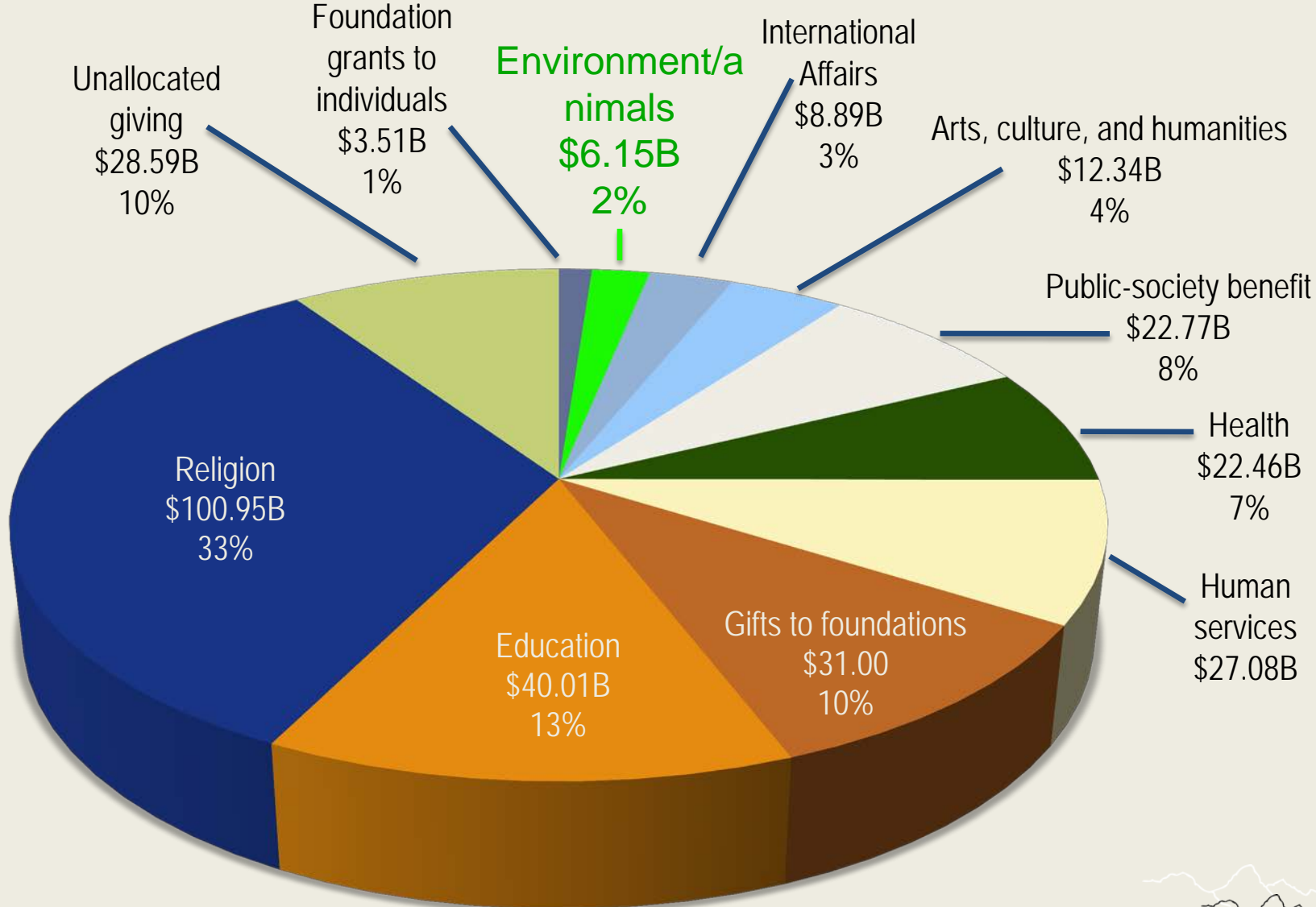


Ecosystem
Services



Human
Wellbeing

Access Nonprofit Community Capital Through Partnerships



Source: Giving USA Foundation™ / Giving USA 2010



Conservation Partnerships For Health

Wildlands Conservancy & Lehigh Valley Health Network

Walk for Wellness” project

- LT created maps of public parks/trails
- Hospital paid print costs for wide distribution

Get Out! Lehigh Valley

- Walking tours on LT properties
- Advertised on hospital website
- Overwhelming interest



Androscoggin LT & Healthy Androscoggin

- Tobacco \$\$ settlement
- Reduce tobacco use, increase physical activity/improve nutrition
- Conservation partnership \$\$ - maps of trails, walking routes, events



Conservation Partnerships for Education

Little Traverse Conservancy

- Environmental Education Programs
 - 7,000+ children/year
 - 50 schools, plus home-school groups and scout troops
- Petoskey-Harbor Springs Community Foundation's bus fund
 - Pays bus fees for school field trips



Conservation Partnerships With Voters = Ballot Measures

Local & state initiatives

- National polling: Strong sustained support
- Small number of measures on ballot
- Requires broader constituency

2006 – 2010 = \$19.5 B.

States - 13 measures passed, \$11.1B conservation funds

Counties & Municipalities – 339 passed, \$7.8B conservation

Special Districts – 8 passed, \$690M conservation

TOTAL: 360 passed, \$19.5B conservation -- 2010: 41 of 49 measures \$2B!



Conservation Partnerships With Private Sector = Restoration & Economic Development

Scenic Hudson's Long Dock Park

- Partnership with private developer
- \$8.5M project
 - \$7M in state, county grants
- Former brownfield restoration
- 15-acre park:
 - Restored wetlands & river banks
 - River Center for arts, environmental education
 - Kayak pavilion & beach
 - Public events



Financial Capital

Where is the **financial capital** in your community?
(Look to your strongest economic sectors.)

- Tourism?
- Commerce?
- Commuters?
- Wealthy residents?

Monetizing Tourism For Conservation

In a resort area the opportunity is great

Case Studies:

Voluntary Surcharges

TravelStorysGPS app



Photos provided by Randy Wagner



Voluntary Surcharges

Opt-Out Model - Removable gift to LT on retail purchases



Crested Butte, CO

1% For Open Space

- \$1.65 million since 1997
- \$100K - \$130K/yr
- 70 businesses participating

DRAGONFLY
Dining On A
Higher Level

TABLE 13 CHECK 49
CART GUESTS 3 JAN 27/06 7:23PM
DUPLICATE

MU SHU	13.00
MU SHU	13.00
EDAMAME	3.00
CURRY DIP	3.00
SALMON	26.00
NY STRIP	28.00
CIGARE	46.00
LAND TRUST	1.00

SUBTOT 133.00
TAX 10.39
TOTAL 143.39

CIRCLE TO OMIT \$1.00 LAND TRUST CHARGE
DINNER ONLY
Ph. (530) 587-0557

CASH/CHK 143.39
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TravelStorysGPS

mobile device app for conservation outreach & fundraising

- GPS-triggered audio tours
- For roads, trails & rivers
- Reaches people where they are
- On their smartphones/tablets
- Connects people to the landscape
- *Accesses the tourist dollar*



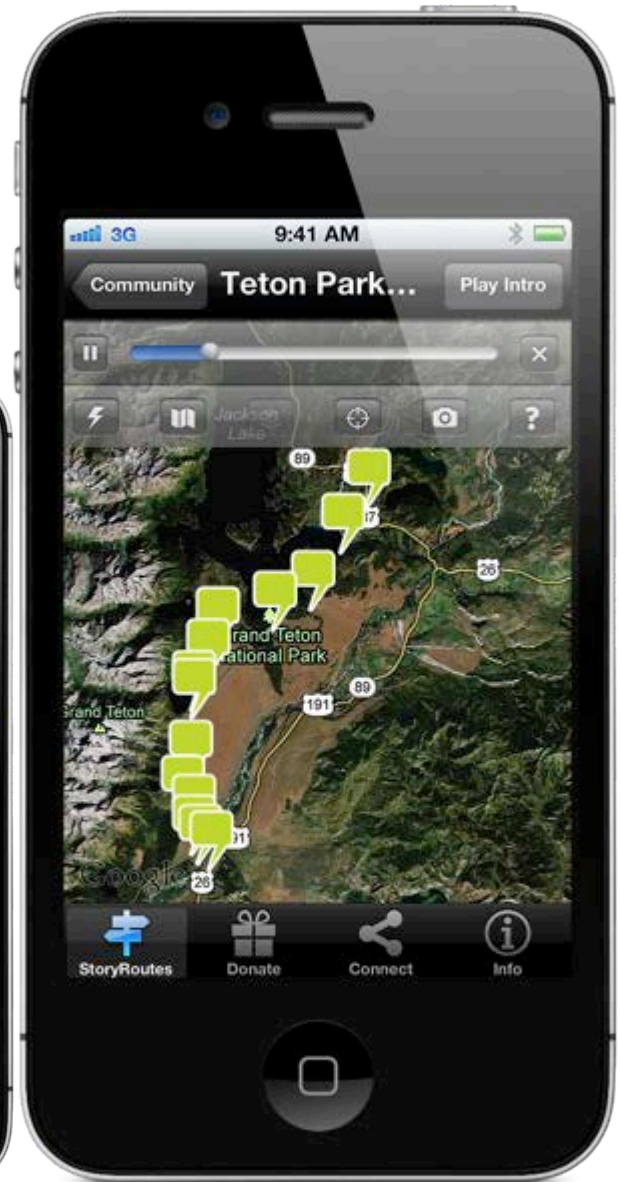
Opportunity To Tell Your Story & Connect People to Land & Water



Audio synced to the landscape

Text relating to tour

Images & video enriches the experience



App Solicitation

- Real time audio solicitation
- Simple \$5 gift & link to ngo website
- No credit cards or Pay Pal
- Outreach & fundraising
- Soliciting when visitors are experiencing the landscape



Natural Capital

(Where the search for new \$\$ gets really interesting)

- Where is the **natural capital** on your community?
- Wildlife?
- Forests?
- Wetlands?
- Rivers?
- **Watersheds?**

What is Nature Capital?

Ecosystem Services With Financial Value

- Photosynthesis
- Nutrient Cycling
- Climate regulation
- Air quality
- Soils (structure, biodiversity, fertility)
- Wetlands
- Protection vs. natural hazards
- Pest, waste & disease regulation



- Fresh water
- Wild foods
- Wild fisheries
- Timber & wood fiber
- Crops and livestock
- Biochemicals, natural medicines, genetic & pharmaceuticals
- Biomimicry
- Recreation & ecotourism



Financial Value Of Natural Capital Pollination

- 1/3 of food we eat naturally pollinated
- Over 2/3 (> 200,000) all flowering plants
- > 100 natural pollinator species

Honey Bee - Most important pollinator for US agriculture - Estimated value: \$14.6 billion in 2000

Female Blueberry Bee –

- Visits 50,000 flowers
- Produces >6,000 blueberries
- \$75 value of each bee



Estimated Natural Capital Financial Value of a Tropical Forest

- Food, fiber and fuel - \$227 per acre/year
- Climate regulation - \$341 – 917 ac/yr
- Water regulation - \$392/ac
- Groundwater recharge - \$14,400 – 26,600/ac
- Pollination - \$24/ac

Source: TEEB (2010) The Economics of Ecosystems and Biodiversity:
Mainstreaming the Economics of Nature

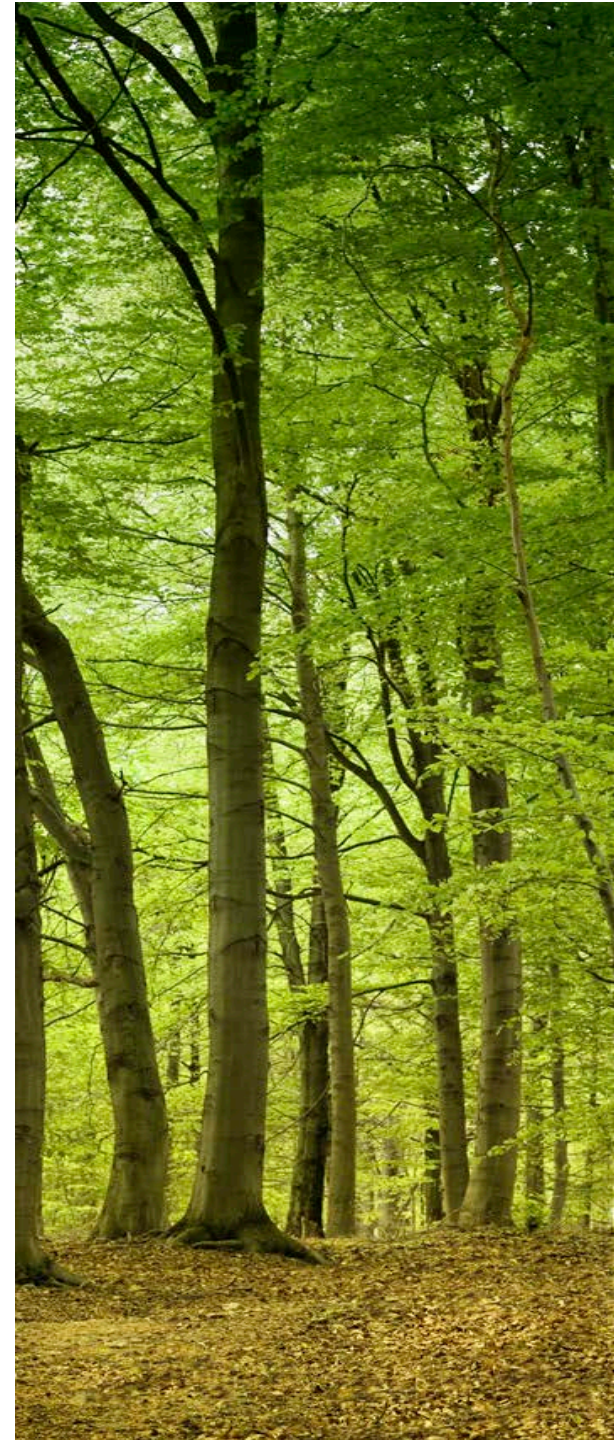


Monetizing Forests Thru Sustainable Timbering & Community Forests

Community Forests

Ownership to address transfer of timber ownership & forest loss

- By building social & community capital:
 - Economic stabilization, job retention & creation
 - Conservation & new associated economies
 - Local management & decision-making



Monetizing Wildlife

Hunting & Recognition of Nonconsumptive \$\$

Wyoming Wildlife and Natural Resource Trust

From 2006 to 2011:

- \$35M to 323 projects
- 500 annual jobs generated
- \$20.9M in labor earnings
- *Every \$1 invested in conservation returned \$4 in economic value in natural resource goods & services.*

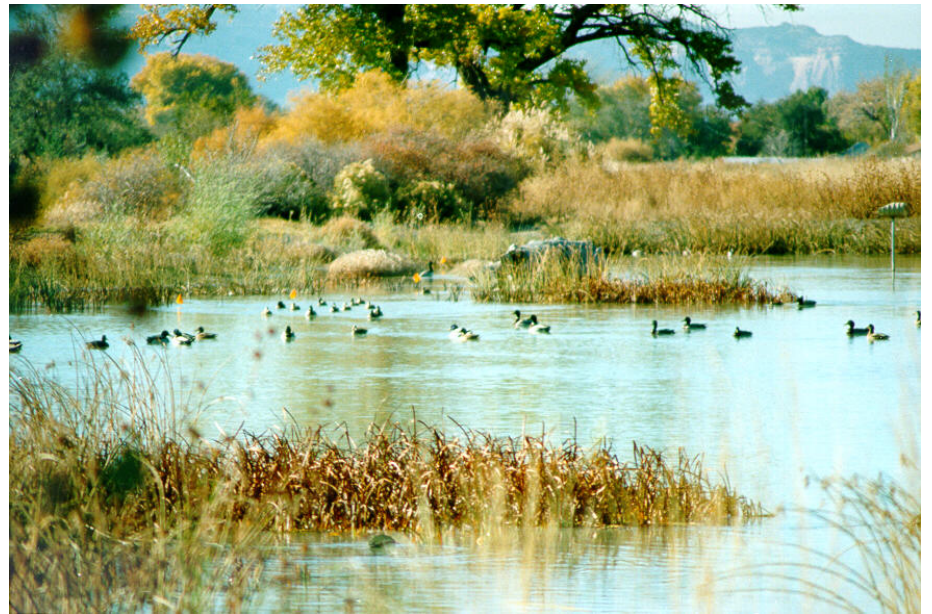


Monetizing **Watersheds** Mechanisms

Watershed Conservation

To access new capital, conservationists use:

- GIS mapping
- Transaction expertise
- Landowner relationships
- Out-of-the-box thinking



Watershed Conservation Partners

- Water utilities
- Beverage companies
 - Ninkasi Beer Company and McKenzie River Trust
 - Coca-Cola and WWF, ClearWater Conservancy and Wildlands Conservancy
- Foundations
- Public agencies
 - US Forest Service



Mitigation Damage Payments

Mass Audubon - Housatonic Environmental Literacy Program for the River

- \$631,410 grant from GE from for PCB contamination of watershed



FERC Dam Relicensing

McKenzie River Trust (OR):

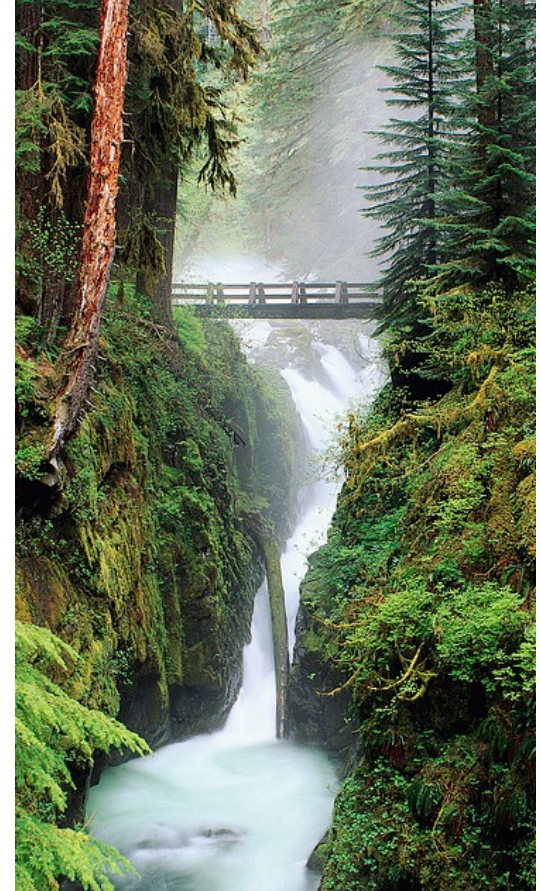
- \$1M revolving fund from the Eugene Water & Electric Board
- Acquired over 1,000 acres in 4 years

Androscoggin Land Trust (ME)

- Timber lot for duration of FERC contract
- Milling locally to help economy

Rangeley Lakes Heritage Trust (ME)

- Revolving loan fund & grant program



Payments For **Watershed** Services

Case Studies

Driving Argument: Water Treatment vs. Watershed Protection

Cost per pound of reduced nitrogen:

- Treatment Plant Upgrade - \$27
- Conservation - \$5



NOTE: Public Clean Water State Revolving Loan Funds

Underutilized Funding Source

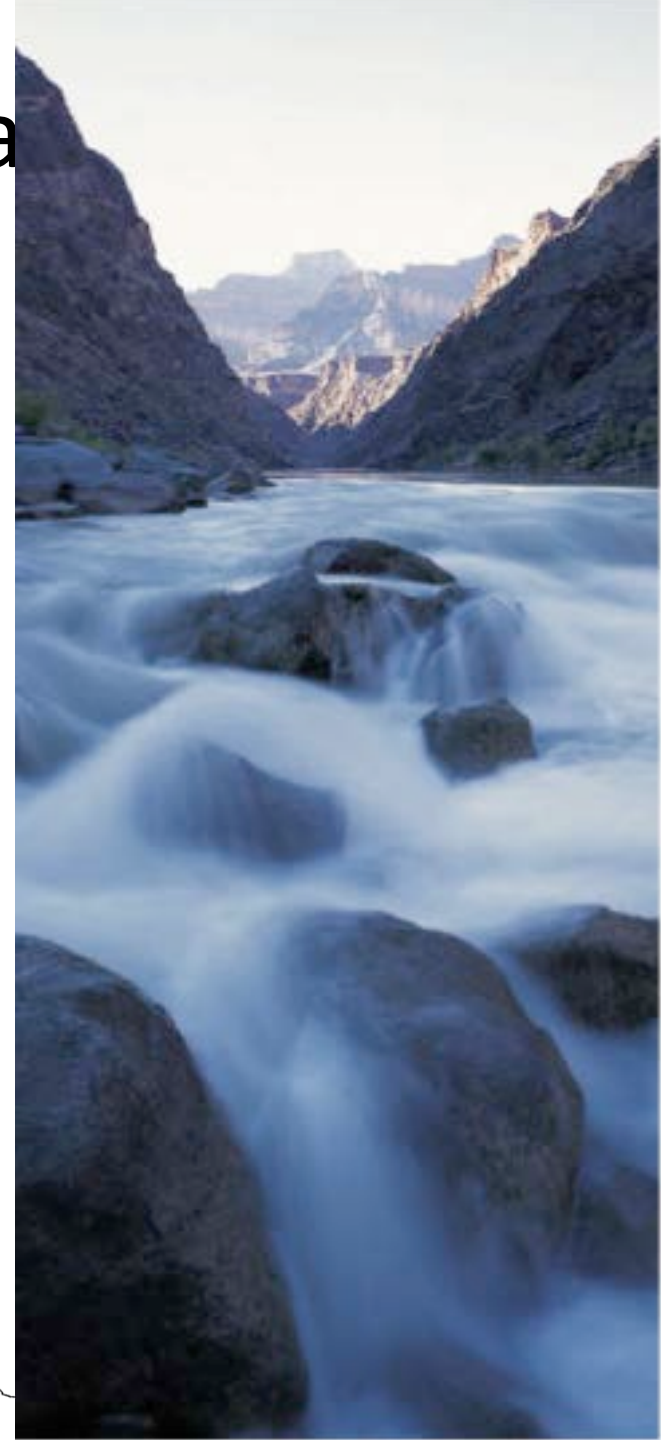
\$\$ - Watersheds, wetlands, lakeshores & more

\$90B (1988 - 2010) - EPA grants + 20% state match

Up to 100% of project costs

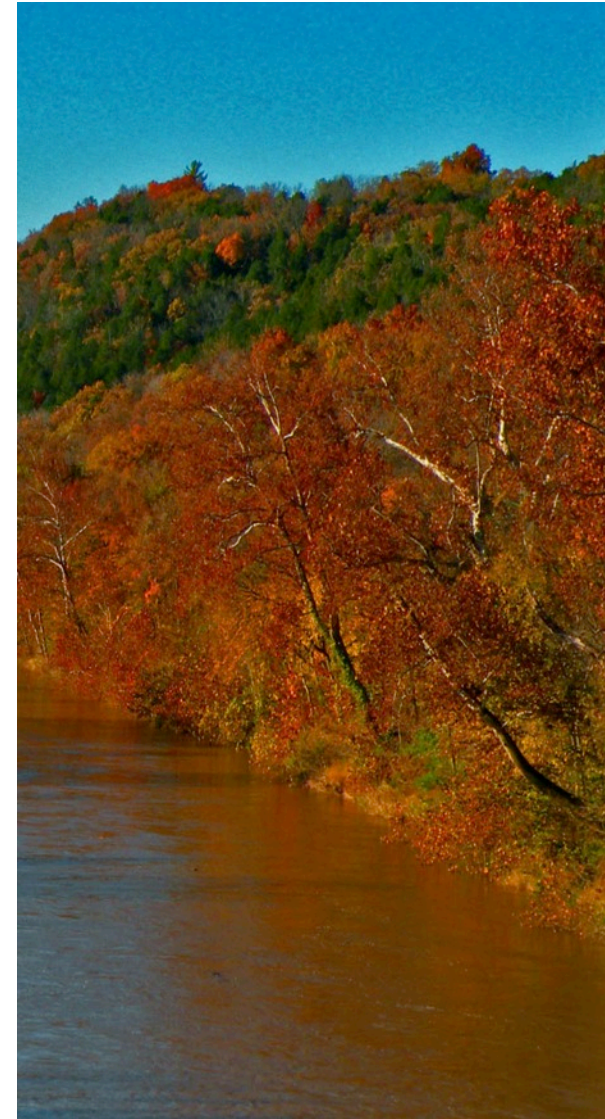
Interest rates as low as 0%

Flexible repayment options, incl. up to 20 yrs.



Small Water Utility Payments

- The Open Space Council for the St. Louis Region
 - \$10K/yr. from local utility
- Utah Open Lands, TNC (Salt Lake City)
 - ~\$1M in user surcharges
- Conservation Trust of NC (& 5 other LTs)
 - Developing user-fee component of Healthy Forests program.
- McKenzie River Trust
 - \$50K - \$100K/yr. from local utility



Large Scale - New York City

Water filtration – natural is cheaper than mechanical

Croton & Catskill/Delaware Watersheds

- Almost 2,000 square miles
- > 1.1 billion gallons/day to 9 million people
- Largest U.S. surface water supply not mechanically filtered

1997 MOU - EPA, NYC and Upstate governments:

- \$ for land, CEs, storm sewers, septic systems, etc.
- Avoiding building filtration system: saves \$2 billion



Salt Lake City

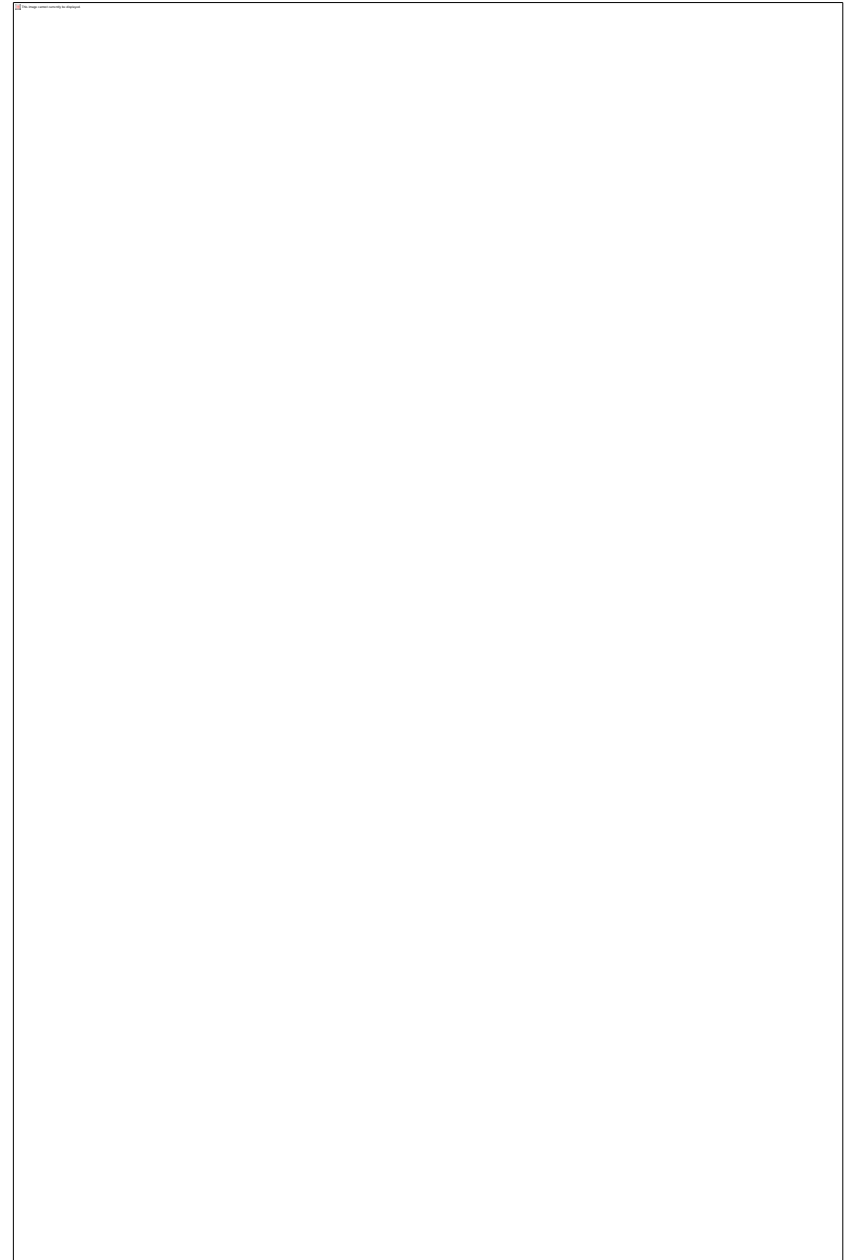
Early recognition of watershed value

History of Watershed Protection

- 150 years
- Dates back to Mormon pioneers

1988 Watershed Management Plan

- City authorized small monthly surcharge on users' bills
- \$ funds watershed CE and fee acquisition
- Partnerships with land-conservation organizations



Denver: Forest to Faucet

Loss-prevention strategy

Partnership of Denver Water and the US Forest Service

- Trees lost to pine bark beetle/fire
 - Loss of soil stability, increased erosion
 - Increased forest-fire risk
- Forest restoration program:
 - \$33 million, 5-year agreement
 - Cost covered by water utility fees and USFS
 - Thinning trees, creating fire breaks, etc.

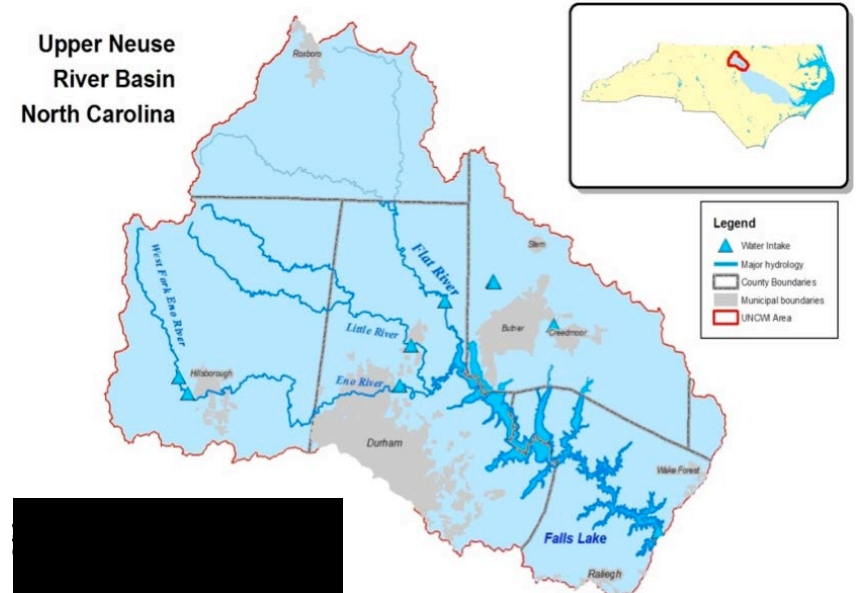


Upper Neuse River Basin, N.C.

Newer, challenging, multi-city version of NYC's watershed protection program

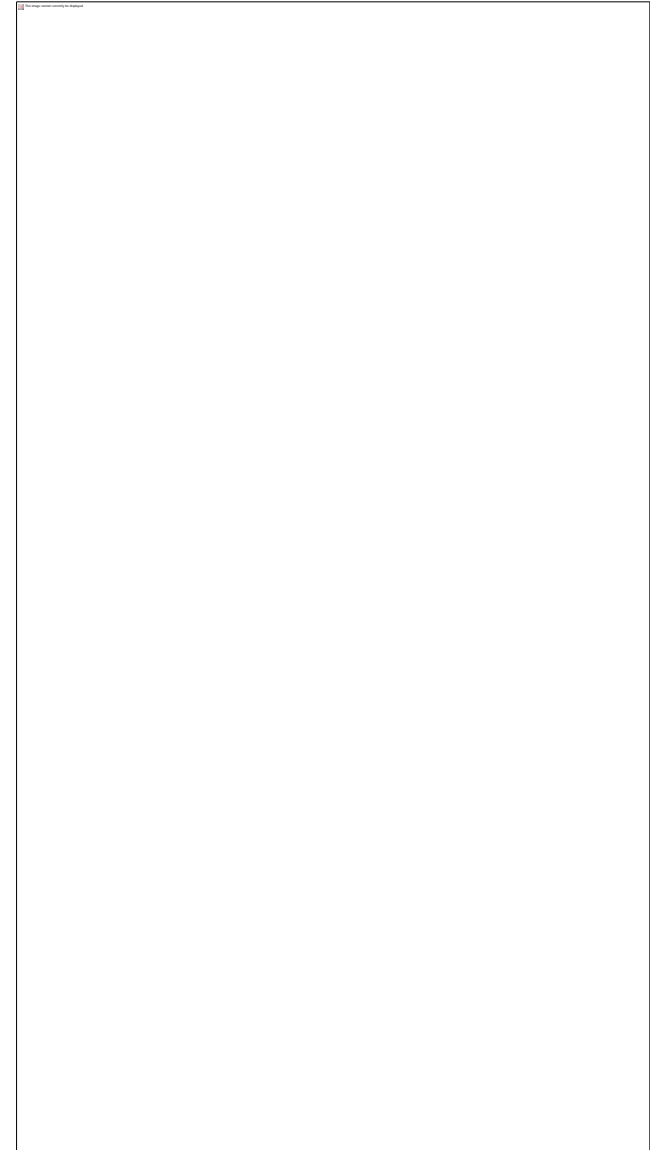
Clean Water Initiative:

- 770 square miles in central N.C.
- Area of rapid population growth
- Coalition: 6 LTs (led by CT for NC), U of NC, Duke University, city of Raleigh, etc.
- NYC-like “impaired water body” rating by EPA
- 39 water-protection projects:
 - 4,300 acres
 - Along 45 miles of stream
- GIS mapping project: Watershed Health Index



Watershed Payment Programs (Globally)

- Active programs: 205
- Programs in development: 73
- 2011 transaction value: \$8.17 B
- Transaction value 1995-2011:\$66B
- 2011 protected/restored: 289M acres
- 1995-2011: 481 million acres



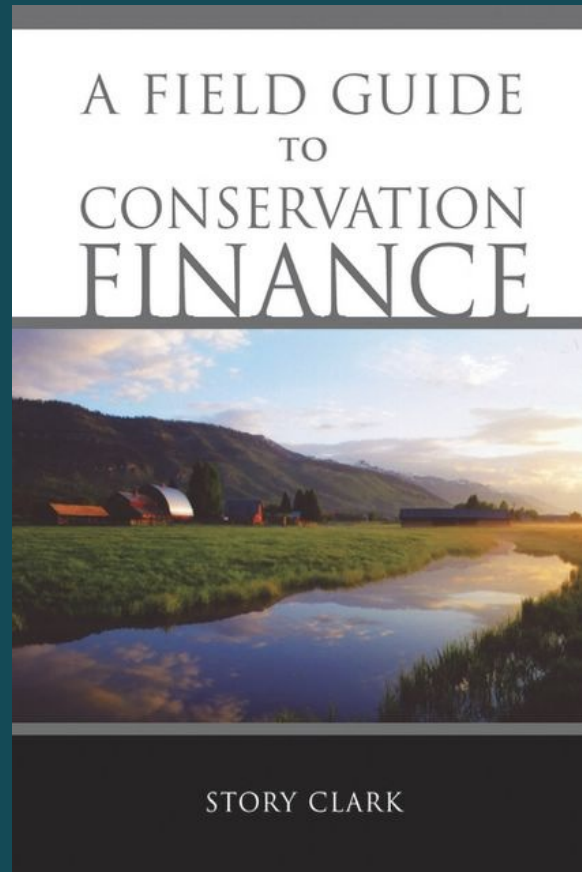
Conclusion

- These opportunities require understanding of the all types of community assets
- Circumstances, capacity, opportunity effect ability to monetize
- Relationships with the key people & orgs – most important
- Not all monetizing initiatives bring \$\$ to NGOs, but bring new \$\$ to communities – your constituency.

Learn More About \$\$ for Conservation:

*For upcoming events,
materials, workshops,
links to information &
templates and to request
permission to use slides in
this presentation:*

www.storyclark.net



Volume II
A Field Guide to
Conservation Finance

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