

Funding Opportunities for Biodiversity Projects

Session D01

Dr. Frank Casey - Defenders of Wildlife

Randall Gray - National Resources Conservation Service

Richard Pritzlaff - Biophilia Foundation

Bruce Taylor - Defenders of Wildlife

Living Lands:

Helping Land Trusts
Conserve Biodiversity



Living Lands Project

Living Lands Mission

- To support and increase the capacity of the land trust community to conserve biodiversity on private lands through financial and technical assistance.

Biodiversity Track at a Glance

Saturday

- A01: Conservation Planning for Biodiversity: Landscape Context and Site Design
- B01: State Wildlife Action Plans: A Resource for Land Trusts
- C01: Farming with the Wild Forever: Using Agricultural Easements to Support Biodiversity

Sunday

- D01: Funding Opportunities for Biodiversity Projects
- E01: Habitat Restoration and Management on Easements: Case Studies
- F01: Habitat Restoration and Management on Easements: Round Table

Living Lands Contact Info

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Session Overview

Explore sources of funding for habitat easements, restoration and management

Types of Funding

Public and Private Sources

Randy Gray: USDA Options

Bruce Taylor: State, Local, Private Options

Richard Pritzlaff: Applied Case Study

Funding Options to Consider

- Eco-labeling
- Eco-tourism
- Payment for Ecosystem Services
- Conservation Banking
- Balancing public and private sources:
Partnerships

Next: Randy Gray [Presentation](#)

Where the money is

- Federal
- State
- Local
- Private
- other

Neawanna Wetlands

North Coast Land Conservancy

Federal, State, Local, Private, Mitigation

U.S. Fish and Wildlife Service

Grant programs: \$200+ million / year

- Landowner Incentives Program
- Private Stewardship Grants
- Partners for Fish and Wildlife
- State Wildlife Grants
- North American Wetlands Conservation Act
- Coastal Wetlands Conservation Grants
- Cooperative Endangered Species
- HCP and recovery land acquisition

State agencies play significant role in many

Landowner Incentives Program

Funds awarded to states

Project grants:

- Benefit at-risk habitats and species
- Easements, restoration
- Require 25 percent non-federal match




McKenzie River Trust

Oak habitat restoration on 200-acre donated easement


Landowner Incentives Program

Private Stewardship Grants

- 
- Private land projects to improve habitat for at-risk species
 - Requires only 10 percent non-federal match

Partners for Fish and Wildlife

- Habitat restoration on private lands
- Technical and financial (cost-share) assistance
- Links to Farm Bill programs



McKenzie River Trust
Green Island restoration
Partners in Flight and others

Coastal Wetlands Conservation Grants



Grants to states

- Includes Great Lakes
- Acquisition, easements, restoration
- Up to 75 percent federal funding

The Wetlands Conservancy

Yaquina Bay wetlands acquisition
Coastal Wetlands Grant

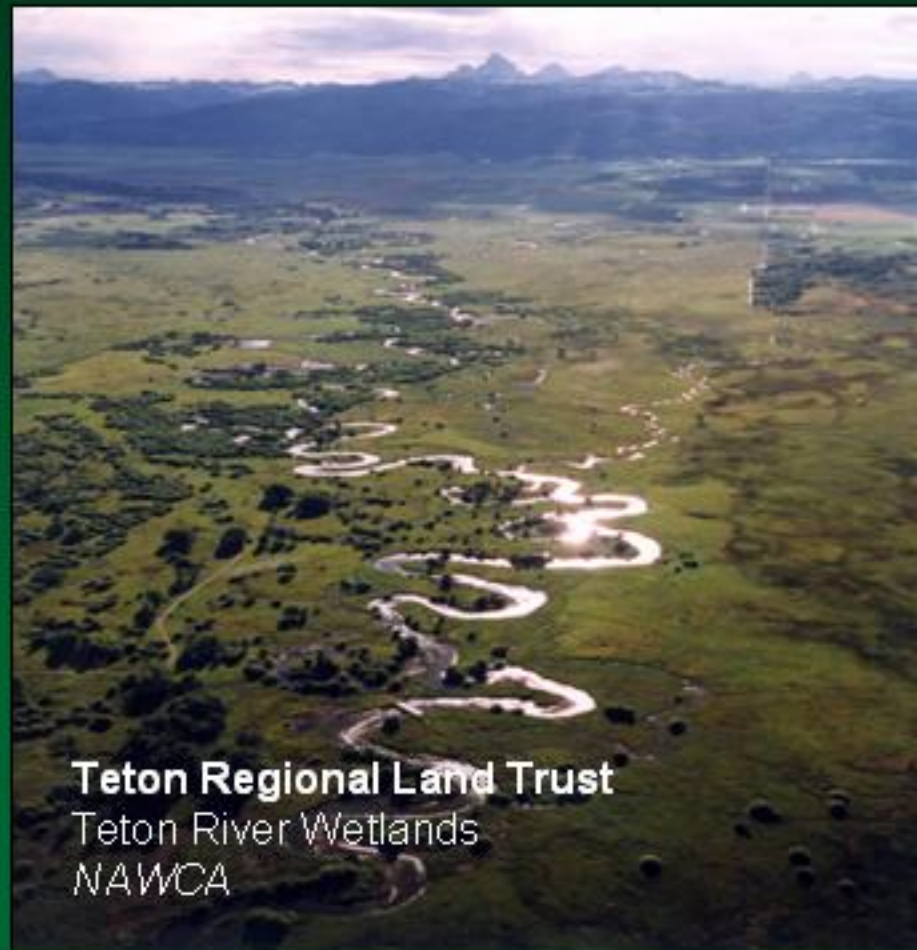
North American Wetlands Conservation Act

Standard grants up to \$1 million

- Acquisition, easements, restoration
- 2:1 non-federal match
- Not for beginners -- complex application, highly competitive

Small grants up to \$75,000

- good entry-level



Teton Regional Land Trust
Teton River Wetlands
NAWCA

Commerce (NOAA)

National Marine Fisheries Service

- Community-based Restoration Program
- Five-star Restoration (through NFWF)

Coastal and Estuarine Land
Conservation (through states)

U.S. Forest Service

Forest Legacy Program

- Keep forest lands in forest uses
- Acquisitions / easements
- States submit projects
- Congressional earmarks

Cascade Land Conservancy
Snoqualmie Tree Farm
Forest Legacy

State

Varies from abundant to almost non-existent

Dedicated conservation funds

- Oregon Watershed Enhancement Board, Washington Wildlife and Recreation Program, California Wildlife Conservation Board, California Coastal Conservancy

Federal pass-through programs

- State Wildlife Grants, Landowner Incentives Program, Cooperative Endangered Species

State fish and wildlife agencies

Local

Bond measures

- Parks and greenspaces

Development impact fees

Utilities

- Water and sewer

Corporate

- Utilities
- High-impact companies
- Outdoor-oriented
- Marketing links

An aerial photograph of a natural landscape. The foreground is dominated by dense, green shrubs and small trees. In the middle ground, there is a clearing with a mix of grass and scattered trees. The background shows a steep, forested hillside with tall, dark green coniferous trees. The overall scene is a mix of open and wooded areas.

Deschutes Basin Land Trust
Rimrock Ranch
Walmart / NFWF

Mitigation

Potential for large sums of money
... but many strings

Wetlands mitigation

- Developers
- Transportation agencies

Water quality trading
Conservation banking

Penalties



Legacy Land Trust
Spring Creek corridor
In-lieu fee program



Tips

Partnerships

- Expanded access to funding
- Land trusts are attractive partner
- Joint ventures provide vehicle

Scale

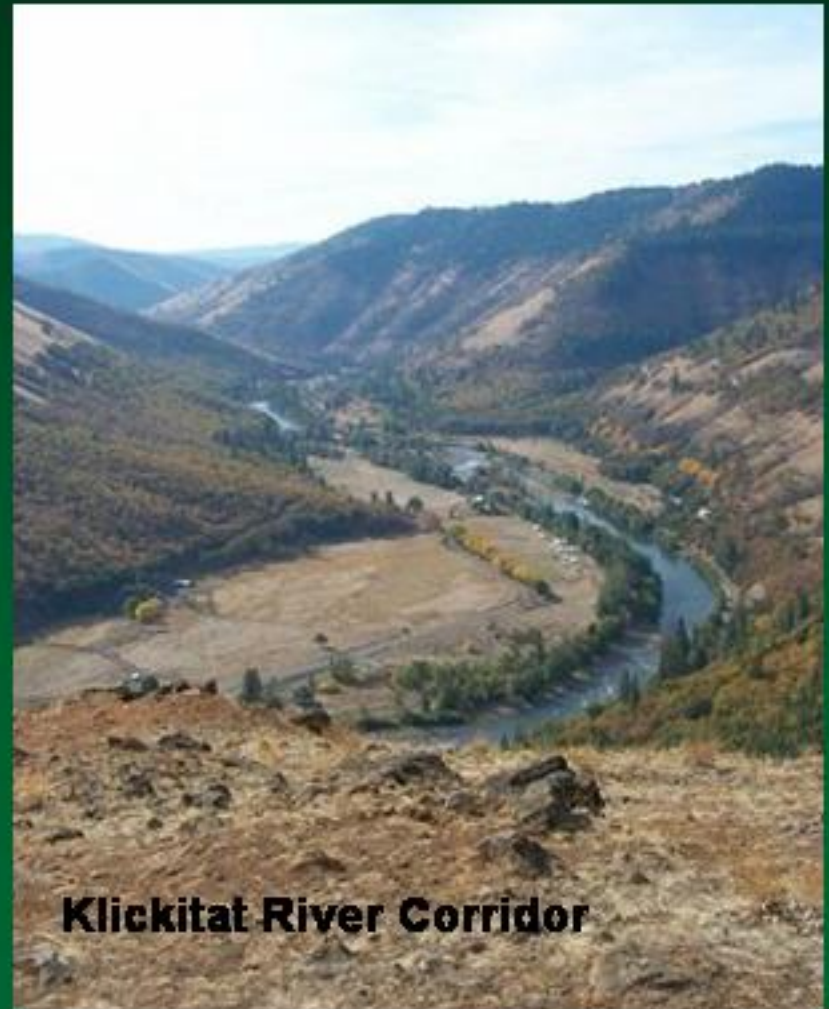
- Often easier to raise big money for large project than small amount for small project

Credibility

- Good projects
- Need solid biological foundation
- Deliver on implementation

Columbia Land Trust

- All volunteer in 1999
- Good project + small NAWCA grant = doubled membership
- Since 2000, four \$1 million NAWCA grants
- Staff of 12
- Current funding sources: federal, state, local, private, mitigation, penalties



Klickitat River Corridor

North Coast Land Conservancy

Coastal Wetlands Grants:

- 1998: \$170,000
- 2003: \$750,000

Other funding:

- federal
- state
- local
- Federal Highways Administration
- Bonneville Power Administration
- mitigation
- fines

Ownership 1998:

Fee: 25 ac

Easement: 15 ac

Ownership 2006

Fee: 680 ac

Easement: 350 ac

Neawanna Wetlands

The Wetlands Conservancy

Statewide priorities

Multiple strategies

- Planning
- Technical assistance
- Education
- Fee title and easements

Diverse Partnerships

Funding sources:

- **NAWCA**
- **Coastal Wetlands Grants**
- **OR Watershed Enhancement Board**
- **Local governments**
- **National Fish and Wildlife Foundation**
- **Landowner Incentive Program**
- **Corporate marketing partnership**
- **Oil spill penalties**
- **Mitigation**

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Funding Opportunities for Biodiversity Projects

Private Land Case Studies From the East:
Buy, Restore, Protect, Sell

Richard Pritzlaff

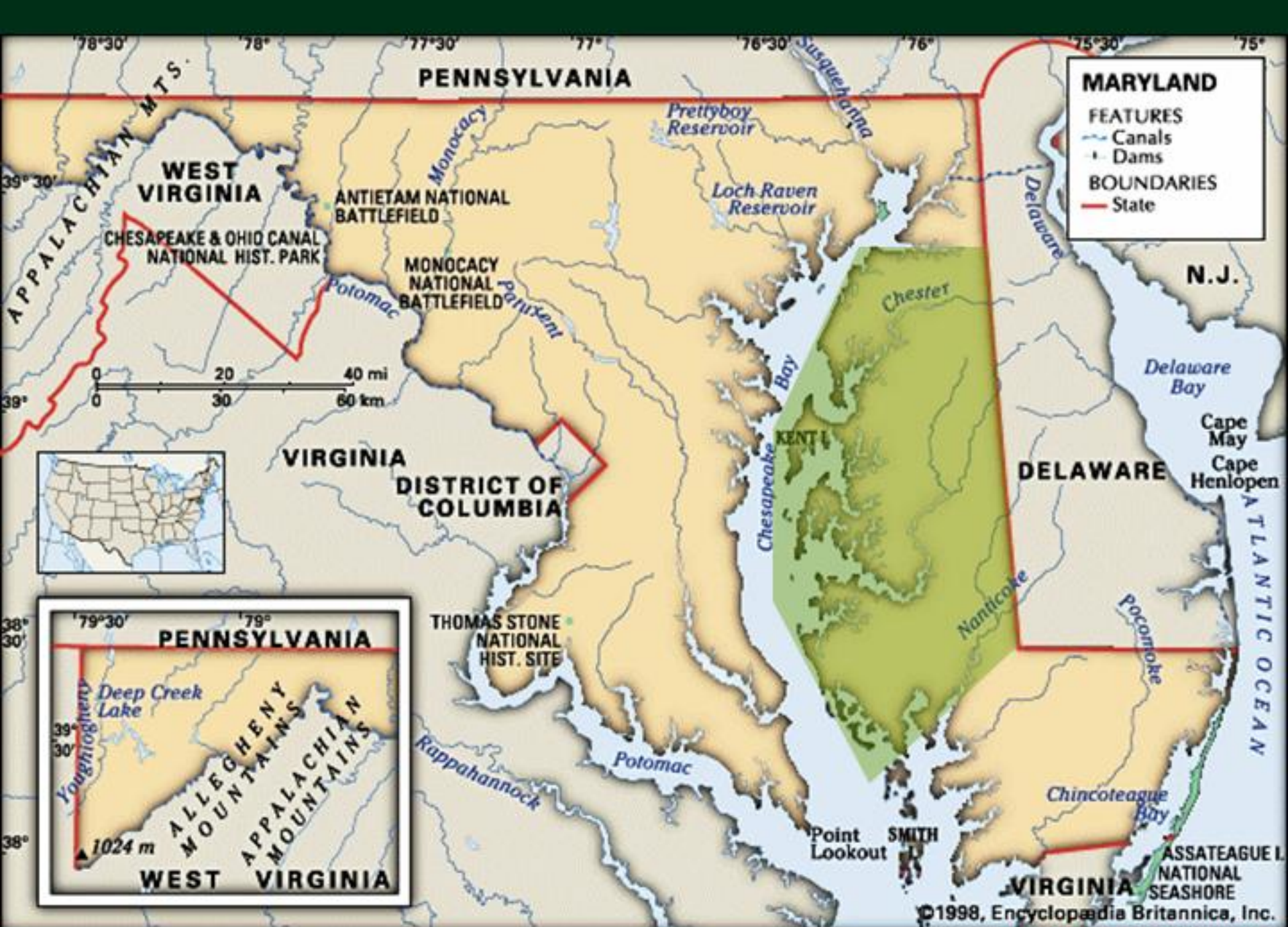
LTA National Land Trust Rally

Nashville, TN

October 15, 2006



CHESAPEAKE WILDLIFE HERITAGE



Maryland's Eastern Shore Map

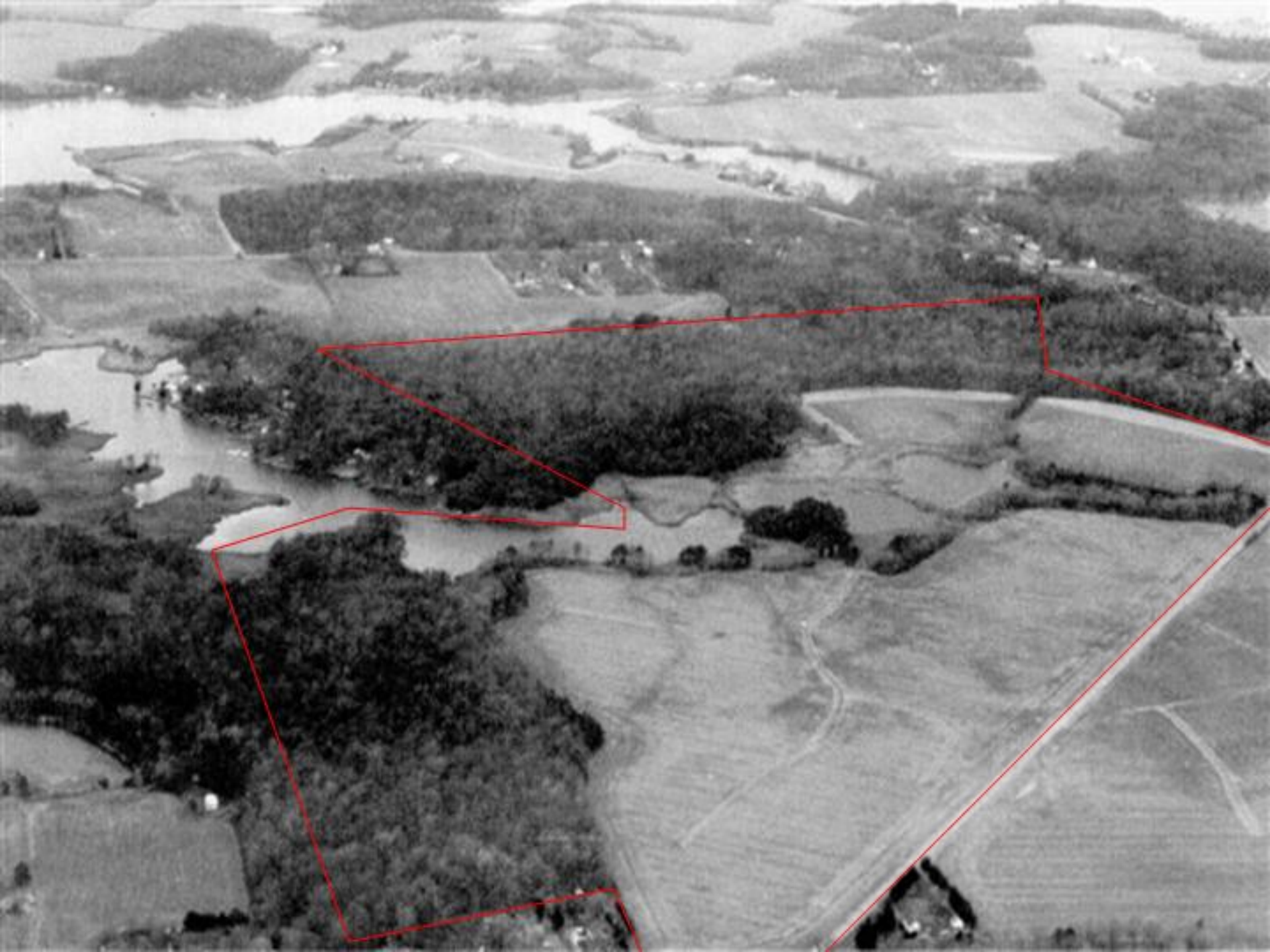




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3

6 Miles



First Step in an Acquisition: Get The Farm Under an Option Agreement

Option Terms:

- **Purchase Price: \$475,000**
- **\$1,000 earnest money deposit**
- **60 day feasibility study, then an additional \$4,000 non-refundable deposit**
- **90 day due diligence and financing, with certain buyer/seller performance assurances**
- **Close "on or before" date**

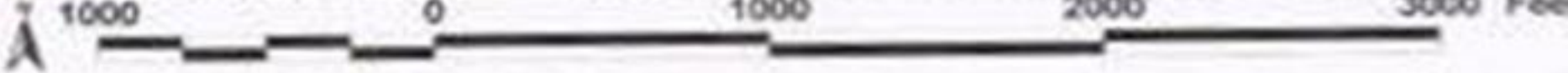


13.5 acres

8.8 acres

57 acres

4,755.8



Financing

- Applied for interest free loan from the Maryland Environmental Trust (MET), requiring:

• An acceptable conservation easement	
• Appraisal, both current and restricted value	\$5,000
• Survey	\$3,500
• Title abstract and deed examination	\$555
	<u>\$9055</u>

- Results:

- Market value of land :
\$500,000
- Value of conservation easement
\$255,000
- No significant title, deed, or boundary issues
- \$220,000 interest free loan approved

Financing and Ownership Structure

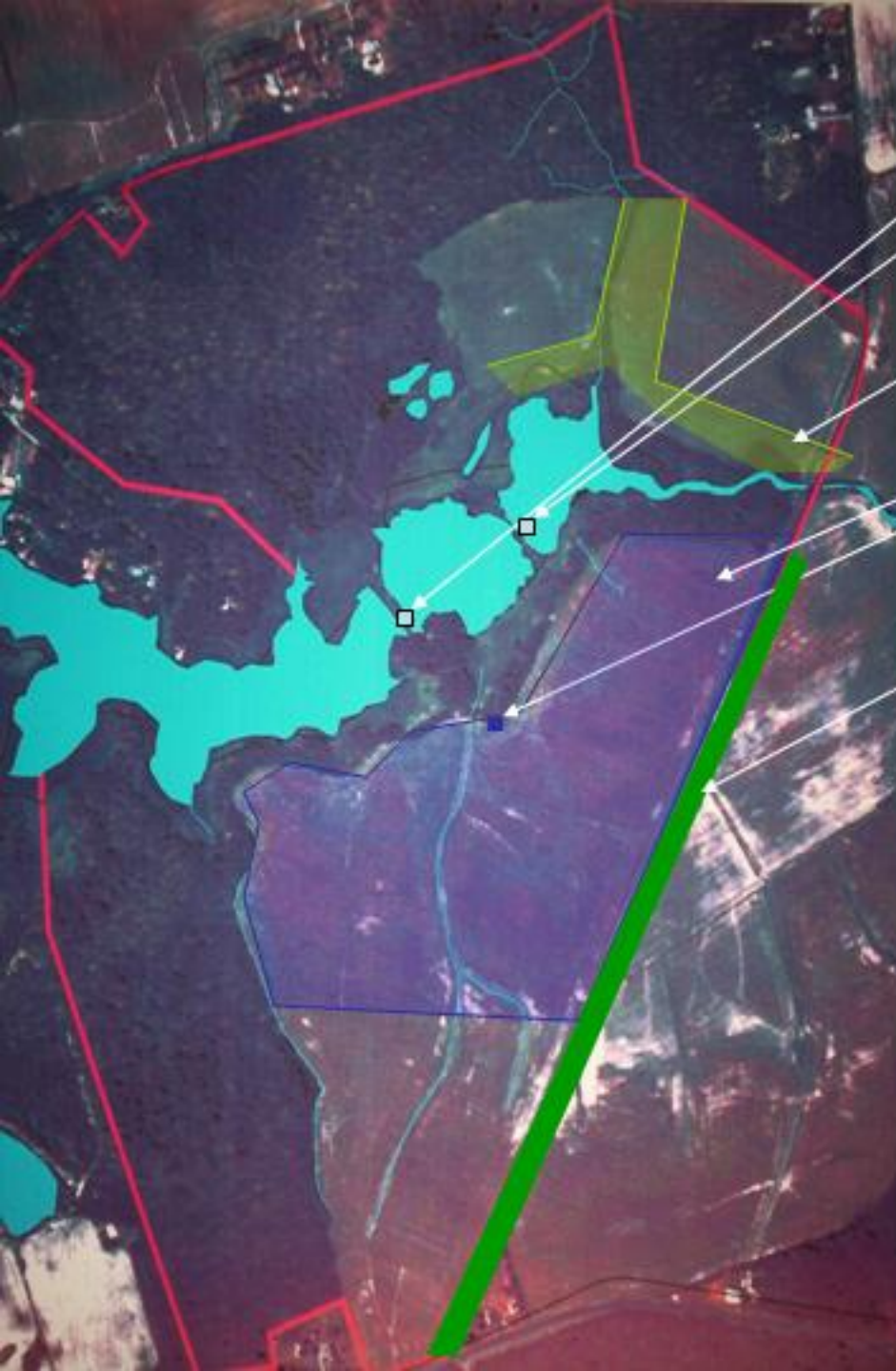
- **\$475,000 – 220,000 = \$255,000 to raise.**

But what about closing costs, insurance, and operating funds?

- **Appraisal \$500,000 - \$220,000 loan= \$280,000 which could be raised for \$25,000 in working capital**
- **After discussions with key Chesapeake Wildlife Heritage (CWH) members, formed Subchapter “S” Limited Liability Corporation (LLC) and sold ten \$28,000 LLC ownership units**
- **Closing costs:**
 - **Title Insurance and fee** **\$1575**
 - **Transfer Taxes** **\$3320**
 - **Less the \$9,055 spent on survey, title work and appraisals.**

Left \$11,050 LLC working capital

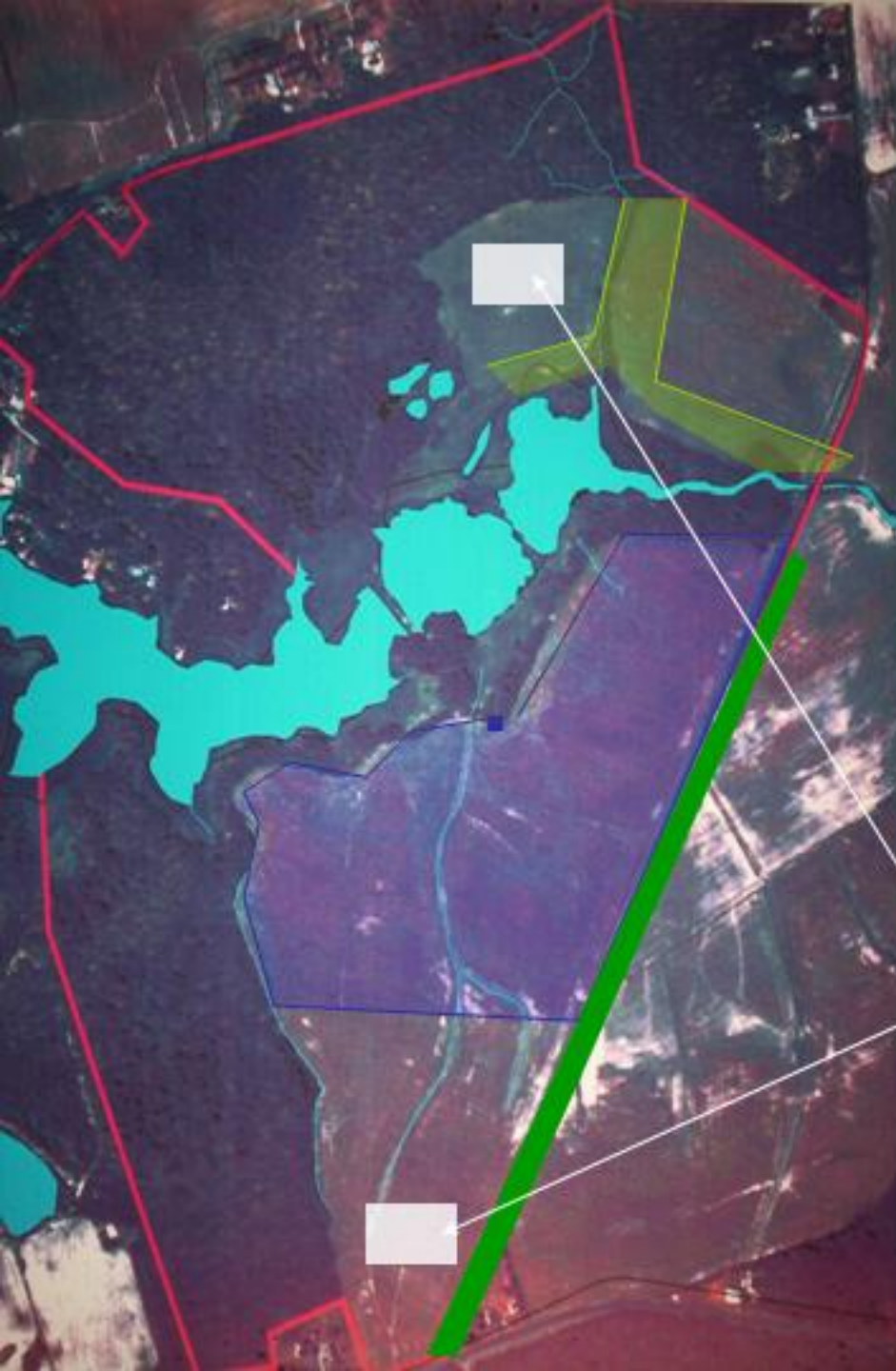
Restored Habitat Types

- 
- The image shows an aerial photograph of a wetland area with several colored overlays and callouts. A red line outlines the project boundary. A light blue area represents removed berms. A yellow-green area represents planted riparian buffers. A purple area represents restored emergent wetland and upland buffer. A green area represents a planted tree screen. Two small white squares with arrows point to specific locations within the light blue area.
- Removed two berms to restore natural tidal flow to aid anadromous fish spawning, paid for by EPA watershed grant.
 - Planted 5.5 acres of riparian buffers (CP 21)
 - Restored 21 acre emergent wetland with 13 acres upland buffer (CP 23). Installed water control device to allow for manipulation of seasonal water levels.
 - Planted native coniferous and deciduous tree screen, not cost shared, but paid for by buyer.

38 acres remaining non-hydric farmland

Note: All habitat practices implemented were 100% cost-shared through Maryland CREP program.

However, important to note that reimbursement only after projects were completed, then approved by NRCS, and a check sent by FSA, taking up to 90 days. Presents a considerable cash flow problem.



General Easement Provisions

1. Provides for management of restored habitat areas per appended management plan, updated every five years by recognized experts in wildlife ecology, and acceptable to grantees.
2. Protects forested area to be managed for old growth conditions. Allows owner to cut for personal firewood use.
3. Remaining croplands to be cultivated using BMP's and more sustainable practices (rotations, nutrient management, no pesticides). Food plots (clover, sunflowers, standing corn) are also encouraged.
4. Allows for one subdivision and two building sites (one per parcel if subdivided). Subdivision to occur along MLW line of Herringtown Creek.









Selling a Wildlife Preserve

- **Selling Price** **\$500,000**
 - **Less tax savings for donating easement (over six yrs)** **\$76,500**
 - **Less CREP Easement purchase by Maryland DNR** **\$59,690**
 - **Closing and transaction costs/transfer taxes** **\$0.00**
- **Actual "Out of Pocket" Price to Buyer** **\$363,810**

- **Prior annual income from property:**
 - **Net farming income:** **\$4,000**
 - **Hunting lease:** **\$2,000****\$6000**

- **Post restoration income:**
 - **CREP Practices income (annually for 15 years):** **\$5950**
 - **Hunting lease** **\$4,000**
 - **Net farming income** **\$1,910****\$11,680**

Restructuring of LLC

- **Buyer gets class "A" ownership interest (financial only) for \$500,000**
- **LLC Managing Partner retains class "B" ownership interest (management only)**
 - **All other LLC Members get their money back within 90 days of investment and are thus "bought out"**
 - **After easements recorded and all funds collected, class "B" managing partner sells management right to Buyer (class "A" partner) for \$1.00**

So How Did CWH Make Out?

- **Restoration Costs**

- including labor, equipment depreciation, seed, and plantings (note: need for working capital due to delay in reimbursement)

\$0.00

- **Costs of CREP Easement**

- mileage, survey, easement recordation, other out of pocket expenses reimbursed by DNR

\$0.00

- plus administrative fee of 3% of the easement purchase price to cover salary and overhead expenses =

\$1,790

Total

\$0.00

- **Costs not recovered:**

- 50 hours of project management time

\$1,790

- Survey, appraisal,

\$9,055

- Original closing costs

\$4,895

- Legal fees

\$3,500

- Overhead

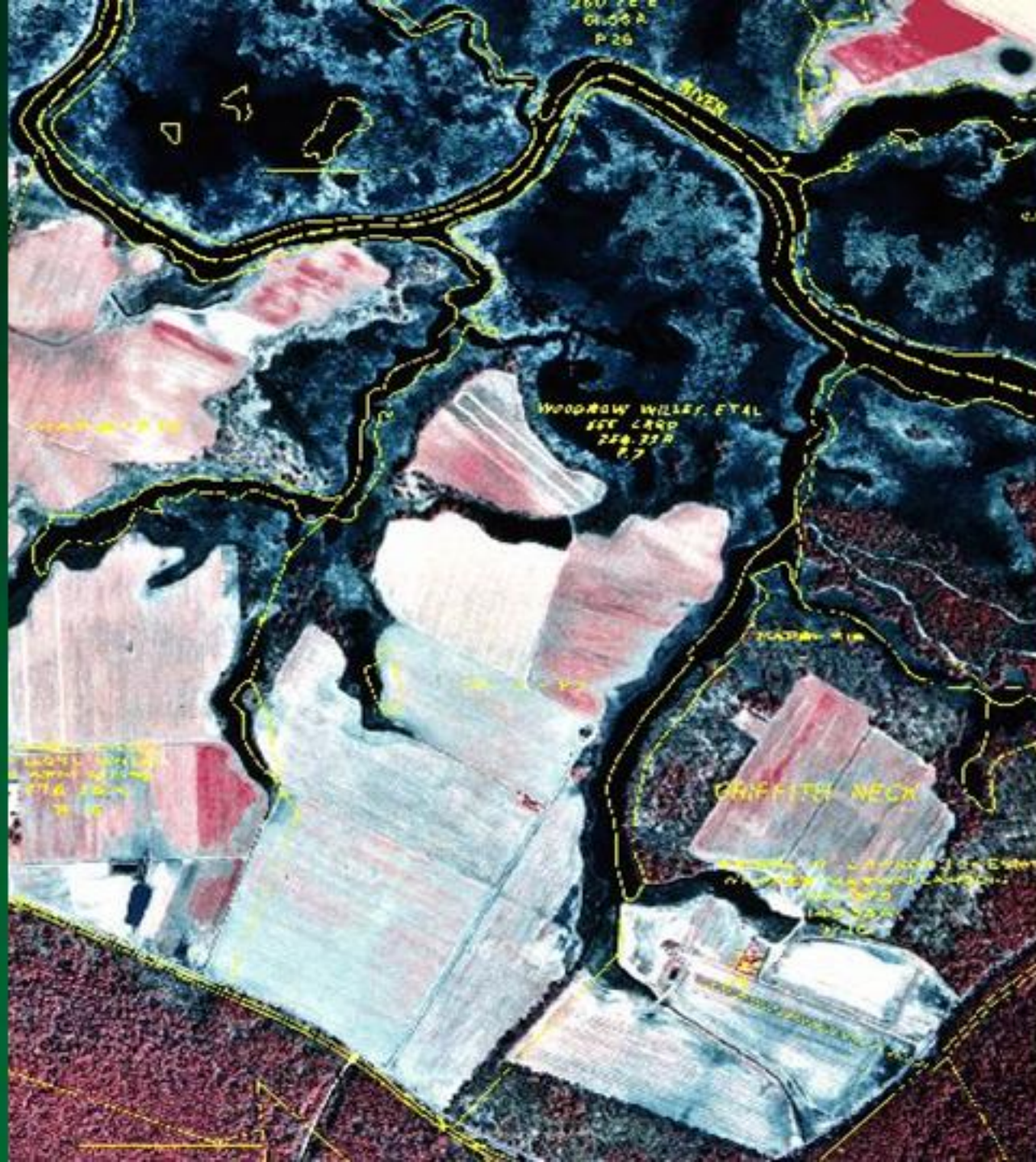
\$1,200

- Total

(\$20,440)

Maryland's Eastern Shore Map





An aerial photograph of a river system, likely the Woodbury Water Canal, with a large area of land highlighted in white. The highlighted area contains several buildings and is surrounded by fields and other land parcels. The river winds through the landscape, and there are various colored overlays on the map, including yellow and red lines.

First Step in an Aquisition: Get The Farm Under an Option Agreement

- **Option agreement:**
 - **Sales Price: \$1,700,000**
 - **60 day Feasibility and Due Diligence Period**
 - **30 day Financing etc. for Closing**

- **Problem: Recognized Restoration Program Challenges**
 - **Unsure of soils qualifying for CREP program**
 - **One year required ownership period**
 - **Smaller riparian buffers allowed in CREP program**



Habitat Types to be Restored



Riparian buffers: Trees (CP22)



Riparian Buffers: Warm season grasses CREP (CP21) and continuous CRP




Restore 35 acre emergent wetland with 70 acres upland buffer. Install water control devices to allow for manipulation of seasonal water levels



Existing farm road

General Easement Provisions

1.  Allows for two 5 acre building sites
2. Existing structures:
Farm equipment shed;
Caretakers house.
3. Provides for management of restored habitat areas per appended management plan, updated every five years by recognized experts in wildlife ecology, and acceptable to grantees.
4. Remaining croplands (70 acres) to be cultivated using BMP's and more sustainable practices (rotations, nutrient management, no pesticides). Food plots (clover, sunflowers, standing corn) are also encouraged.
5. Allows for one subdivision and two building sites (one per parcel if subdivided). Subdivision to occur (more or less) along farm road.



Financing and Deal Structure

- **Challenges:**
 - Longer ownership term
 - Less CREP support for restorations
 - High sales price
- **Solution: Low (and no) Interest Loans**
 - **Clean Water Act Sect. 319 “Linked Deposit” loan from Maryland Water Quality Finance Administration:**
\$1.4 million @ 2.73%, interest only, five year term.
 - **MET Loan: \$400K at 0%, 2 year term.**
 - **Together Provide \$100K working capital for restoration work and project management.**

Bring your binoculars
and enjoy your own
wildlife preserve

Chicamaconico Farm, Dorchester County Cambridge, MD

Magnificent waterfront property with classic views of Chesapeake Bay tidal marshes. Perfect for a weekend retreat, hunting lodge or retirement estate. Watch fall and spring waterfowl migrations from your porch, dock or blind or while hiking or kayaking.

The Property

354 Acres-126 wooded
2 per'd building sites plus existing caretakers cottage
1.25 miles of waterfront on the Chicamaconico River

Conservation Values

Habitat for quail, turkey, eagles, songbirds, Delmarva
fox squirrels and migrating waterfowl.

Adjacent to Fishing Bay Wildlife Management Area

1/2 mile from Blackwater National Wildlife Refuge

Limited building sites for minimal impact

Active eagles nest on site

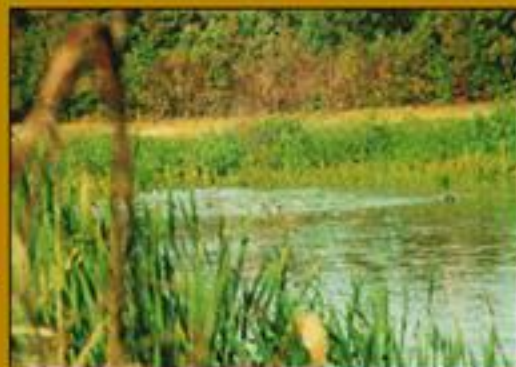
Planned Habitat Improvement s

30 acres of restored wetlands
20 acres of planted native grass meadows
20 acres of planted native trees
48 tillable acres

Recreational Opportunities

Waterfowl and deer hunting
Room to create hiking trails
Monarch migration birdwatching
Water access for canoeing, kayaking, etc.

Priced at \$ 4,000,000



Restored wetlands attract fantastic waterfowl!

Mudford Farm, Queen Anne's County Sudlersville, MD

Watch fall and spring migrations from your porch or
enjoy the outdoors on your own walking trails through
mature woodlands.

The Property

275 Acres-114 wooded
2 building sites
Farm with gentle slopes

Conservation Values

Habitat for waterfowl, quail, turkey, fox and songbirds
Limited building sites for minimal impact

Planned Habitat Improvement s

30 acres of restored wetlands
20 acres of planted native grass meadows
20 acres of planted native trees
90 tillable acres

Recreational Opportunities

Waterfowl and deer hunting
Room to create hiking trails
Birdwatching

Priced at \$ 2,000,000



Contact Richard Pritzlaff
for details

410-315-9876

A joint venture between
Chesapeake Wildlife Heritage and
the Biophilia Foundation to create
privately owned wildlife preserves
that enhance Chesapeake Bay
wildlife and water quality.



g Lands Project

Sample Documents Available

- Letter of Intent
- Option Agreement
- LLC Operating Agreement
- Easement Language with appended Management Plan

Please send an email request and indicate which documents you would like to have.

richardpritzlaff@cs.com