

Notes on Funding

Session 2: Zero-cost CRs and Due Diligence Grant Funds

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Steve Long

- Easements are real estate transactions with costs involved (staff and due diligence), so it can be a challenge to make them work. It is incredibly generous of landowners to give what is likely their biggest asset!

Orange County Headwaters Example

- [OCH](#) began a legacy application that fell through, so landowners did not want to pay for the public access aspect.
- Money was instead raised locally to make it happen—people were interested if it was cost neutral for them.
- Received a large donation (\$2.5 million) and got the state of Vermont on-board.
- Increased fundraising capacity by having the Vermont Land Trust cooperate with Upper Valley Land Trust so donors could go to either.
- Adequate time was committed to making the easements happen, so great partnership followed. It ultimately resulted in 4,500 acres donated in over 30 parcels, at \$500,000 dollars total plus donated staff time to acquire the land.
- Overall, the money for three years paid for staff, outreach, “wood walks,” and meetings.
- The Forest Legacy application group owned 1,600 acres to continue with their application, and ultimately were funded after six years.
- In rural Vermont with no conservation commission, this greatly increased awareness.
- OCH think it could have worked better if they had been more ambitious, so are looking for more projects. They have received contribution from Freeman Foundation to cover future stewardship costs.
- The Affordable Conservation Fund ([Highstead](#) and [Harvard Forest](#)) preliminary results show most people are surprised land trust has costs that need to be covered (\$10-20,000 per project). ACF covers everything but appraisal, as that benefits landowners for taxes.
- Many transactions stop after single conversation, as they end up being too costly to the donor.
- Aggregations are more attractive to land trusts for easements in many cases – a 50-acre transaction often cost the same as a 500-acre one.
- Important to ensure application donations are not rejected in first conversations.



Chris Wells, Quabbin to Cardigan Land Conservation Grants Program Geographic Unit

- The partnership stays alive partially through securing two years of grants, around \$500,000, with a program to distribute those funds. As that federal money ran out, an anonymous donation for \$250,000 helped keep [the Quabbin to Cardigan](#) (Q2C) program going.
- The idea is to attach money to the plan, particularly for transaction costs.
- Q2C now has more requests than money available, so they developed a partial payment structure to spread the money out.
- The project has been successful but will require private funding to keep it going until a pathway back to federal funding can be reached.



Robert O'Connor, Massachusetts Energy and Environment Affairs Due Diligence Working Forests Program

- Forestry for the Birds does habitat assessments with non-profit partners like the [Massachusetts Woodlands Institute](#), Audubon, and the [North Quabbin Regional Landscape Partnership](#).
- A new state income tax program offers a refundable tax credit, which is better than a deduction because it is subtracted directly.
- Title appraisal survey costs are significant, but money back from the state really helps the deals successful. Paired with the tax credit program, Massachusetts gives \$50,000 to new land donors. This promotes the strong link that people doing forestry will also want to donate their land.
- It is much easier to keep the chance of donation happening when the donor will make \$25-30K after paying for the survey and appraisal. This scenario really helps people that are land rich but cash poor.