The Conservation Fund works at the intersection of conservation and community—we believe that environmental protection and economic vitality are inseparable.

**WHAT WE DO**

- **Conservation Acquisition**
  Land, Water & Wildlife Protection

- **Conservation Leadership Network**
  Collaborative Solutions

- **Freshwater Institute**
  Aquaculture & Water Quality

- **Go Zero**
  Carbon & Climate

- **Land Conservation Loans**
  Finance & Expertise

- **Mitigation Solutions**
  Infrastructure Mitigation

- **Natural Capital Investment Fund**
  Business Finance

- **Resourceful Communities**
  People, Places, Opportunities

- **Strategic Conservation Planning**
  Green Infrastructure

- **Working Forest Fund**
  Forestry
What does Conservation Finance Mean?

The practice of raising and managing capital to support land, water, and resource conservation. \[1\] Conservation financing options vary by source from public, private, and nonprofit funders; by type from loans, to grants, to tax incentives, to market mechanisms; and by scale ranging from federal to state, national to local. \[2\] Conservationists have traditionally relied upon private, philanthropic capital in the form of solicited donations, foundation grants, etc., and public, governmental funds in the form of tax incentives, ballot measures, bonding, agency appropriations, etc., to fund conservation projects and initiatives. \[1\] Increasingly, conservationists are embracing a broader range of funding and financing options, leveraging traditional “philanthropic and government resources with other sources of capital, including that from the capital markets.” \[3\] These non-traditional sources of conservation capital include debt-financing, emerging tax benefits, private equity investments, and project financing. \[4\] These additional sources of leverage serve to enlarge the pool of financial capital available to fund conservation work worldwide and, as this financial capital is invested, the asset portfolio of conserved land, water, and natural resources is grown. \[5\]
Why look for Conservation Financing?

• Extend the use the limited resources ($, time, people)

• Grow internal expertise

• Improve the community profile of the project/effort

• Make a more compelling case for funding

• Make savvy finance moves while capital is STILL priced at historic lows
**Conservation Finance Sources**

**Gifts & Grants**
- Traditional Sources
  - Individual Donors
  - Foundations
  - Corporate Engagements/Partnerships
- Voluntary Surcharges
- Voluntary Private Transfer Fees
- Trade Lands
- Donor-Advised Funds & Aggregators

**Tax Benefits**
- Federal/State Tax Deductions
- Bargain Sale or Easement Donation
- New Markets Tax Credits
- State Tax Credits

**Public Funding**
- Fed. Conservation Programs (LWCF, REPI, etc.)
- Other Large Fed/State Programs
- State/Local Ballot Initiatives
- State/Local Specific Use Taxes/Fees/Incentives
- State/Local Conservation Programs
- Local Improvement Districts

**Private Capital**
- Payments for Ecosystem Services
  - Function Trading (water, nutrients, carbon)
  - Watershed Service Payments
  - Habitat & Species Mitigation/Banking
  - Natl. Res. Damage & Other Settlements
  - Federal Power Act/Relicensing
- Tradable Land Use Rights (TDRs etc.)
- Conservation Development/Buyers
- Agriculture, Timber, Energy & Other Income
- Water Transactions (partial or full sales, leases)
- Cause-Related Marketing
- Impact investing

**Bridge Financing & Loans**
- Philanthropic
  - External Revolving Loan Funds
  - Internal Land Trust Protection Funds
  - Foundations (incl. PRIs)
  - Conservation Lenders & Guarantors
- Private
  - Commercial & Farm Credit Lending
  - Seller Financing
- Public
  - Fed/State Revolving Loan Funds
  - Tax-Exempt Debt
Conservation Finance Sources

**Gifts & Grants**
- Traditional Sources
  - Individual Donors
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- Voluntary Surcharges
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- Tradable Land Use Rights (TDRs etc.)
- Conservation Development/Buyers
  - Agriculture, Timber, Energy & Other Income
- Water Transactions (partial or full sales, leases)
- Cause-Related Marketing
- Impact investing (social and environmental)

**Bridge Financing & Loans**
- Philanthropic
  - External Revolving Loan Funds
  - Internal Land Trust Protection Funds
  - Foundations (Program Related Invest.)
- Conservation Lenders & Guarantors
- Private
  - Commercial & Farm Credit Lending
  - Seller Financing
- Public
  - Fed/State Revolving Loan Funds
  - Tax-Exempt Debt
On Ramp To Conservation Finance

- Brewery & Distillery Relationships
- “Conservation Days” at retailers
- Voluntary Surcharges
- Income from the land
Aspects of the “For Love of Beer and Mountains” Partnership include:

- Financial donation from Highland Brewing Company to the Southern Appalachian Highlands Conservancy from a percentage of pint sales at each seasonal release party. Highland also provides opportunities for the non-profit land trust to “friend-raise” by hosting a table at each release.
- Educational or awareness events hosted at HBC’s Tasting Room in Asheville, NC.
- Guided hikes in the area of each seasonal namesake.
- Volunteer work days on protected properties, in which staff from each organization are invited to participate.
- Printed information about the region’s natural features and native species on packaging for the seasonals.
News & Events: Upcoming Events

Support CMLC by Shopping at Mast General Store and Eating at the Green Room in Hendersonville on Land Trust Day - Saturday June 6th

DATE OF THIS EVENT: Sat, 06/06/2015 - 9:00am

Help CMLC by shopping at Hendersonville's Mast General Store (527 N. Main St.) and eating at The Green Room (536 N. Main St.) on Land Trust Day: Saturday, June 6th, 2015.

In support of land conservation in western NC, Mast General Store will donate 20% of all sales on Land Trust Day to CMLC (Hendersonville location only) and The Green Room in Hendersonville will donate 10% of all breakfast and lunch sales (8:30 to 3:00 pm) to CMLC.

Browse Mast General Store online now and make your list to purchase in the store on June 6th. Be sure to also bring your appetite and enjoy a delicious breakfast or lunch at The Green Room across the street, all in support of land conservation and CMLC!
Income from the Land

- Sustainable Timber Harvest
- Agriculture
- Ranch/Farm Tours
- Recreation
- Hunting
- Environmental Education
- Green Cemeteries

- Leasing of Land/Structures
- Wind, Transmission, and Solar
Bridge Financing or Interim Finance:
Temporary or short-term financing to a borrower who is waiting for more permanent funding and usually is reasonably assured of that funding in the next months or few years.
<table>
<thead>
<tr>
<th>Type</th>
<th>How They Make $ From You</th>
<th>Risk Tolerance</th>
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<tbody>
<tr>
<td>Banks (Billions of Dollars)</td>
<td>Interest Rate, Fees, Other Accounts, Investments, Services, etc.</td>
<td>Manage Risk (but aren’t too familiar with conservation and may ultimately turn down a project they aren’t familiar with)</td>
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<tr>
<td>Foundations (Hundreds of Millions)</td>
<td>Interest Rate</td>
<td>May Be Risk Averse (may not be familiar with land conservation)</td>
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<tr>
<td>Conservation Lenders (~$100 million)</td>
<td>Interest Rate, Occasional Fees</td>
<td>Manage Risk</td>
</tr>
<tr>
<td>Individuals (Millions of dollars)</td>
<td>Purchase Price, Interest</td>
<td>It depends</td>
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Interest Rate vs. Mission Alignment

Interest Rate vs. Mission Alignment

Prime (4.25%)

Banks
Farm Credit
Seller Financing
State Clean H2O Loan Fund
Foundations
Conservation Lender
Individual Donor/Lender

Mission Alignment
## Social/Conservation Impact Investing

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<th>Timber</th>
<th>Ecosystem Services</th>
<th>Agriculture/Ranchland</th>
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<tr>
<td>The Lyme Timber Company</td>
<td>Ecosystem Investment Partners</td>
<td>Beartooth Capital</td>
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<td>Conservation Forestry</td>
<td>Encourage Capital</td>
<td>Grasslands LLC</td>
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<td>Ecotrust Forest Management</td>
<td>Resource Environmental Solutions</td>
<td>Farmland LLP</td>
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<td>New Forests</td>
<td>Renewable Resources Group</td>
<td>New Spirit Farmland Partnerships</td>
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<td>Carrous Land Systems</td>
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<td>Permian</td>
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<td>Iroquois Valley Farms LLC</td>
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<td></td>
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<td>Dirt Capital Partners</td>
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