

# Who Pays?

## Potentials for Financing Conservation Programs

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### Deb Love:

Today, we'll look at conservation finance options for this community--creating funding sources to protect your land and water resources.

So, really briefly, the Trust for Public Land (TPL) is a national nonprofit conservation organization. We have offices all across the country, and our southwest regional office is in Santa Fe and covers the Four Corners states, Texas and Oklahoma. I'm the New Mexico state office Director. TPL, as Ernie said, is primarily involved in land conservation. We acquire private land and convey it into public ownership. Since 1972, we've been able to protect over 1.2 million acres of land across the country. We recognize, as we do these land conservation deals, that it's important to look at the full spectrum of land conservation. I really appreciate being able to follow Miguel Salinas's presentation on green infrastructure planning, because I feel like that's the first step that a community needs to take before it gets involved in actually acquisitioning land or conservation easements. It's looking at what the big picture is for this community and our future. What are those lands that we would like to see protected, and where do we want to direct our growth?

Once we've determined those areas that we know are critical to preserving our community's sense of place and identity, how do we then create the funding sources to protect them? Where can we find those funding sources? It could come from private, local sources of funding, or from state and federal sources, and I'll touch a little bit on each of those. But I do want to focus on trying to create sources of funding, because right now there really aren't a lot of funding sources available in New Mexico. So it's going to be our job to try to create those.

Lastly are the transactions. Ernie talked about the Taos Valley Overlook, which involved the acquisition of about 2,500 acres of land from a private landowner who really wanted to see his property protected. He was getting offers from developers--golf course developers, hotel builders--looking over that gorgeous view of the gorge. What were his options to protect that land? Given that the Bureau of Land Management's interest in that area--the protection of the Wild and Scenic Corridor on the Rio Grande--we had a unique opportunity to use federal money, through the BLM, to acquire that property and convey it into federal ownership. We're not always that lucky, in

### Deborah Frey Love and Nissa Maddox

*Deborah Frey Love, New Mexico State Director, Trust for Public Land*

*Nissa Maddox, Regional Office, Trust for Public Land*



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terms of being able to find a partner that has the same kind of vision that the community has, in terms of protection, and has the funding to make it happen. That project took a significant investment on the part of the taxpayers of the United States. It was appraised at over \$20 million, and taxpayers put roughly \$14 million into the acquisition--a pretty significant investment. It took many, many years, and we were pleased to be working with the Taos Land Trust. It was a very important partnership, where Taos Land Trust was able to galvanize community support. I'm sure many of you wrote some of those letters--there were over a thousand letters of support directed to the congressional delegation. That's what helped get the funding available to make that project happen. The other important piece was the landowner being willing to donate about \$5 million in land value to help make that happen. So, on these transactions, there are a lot of different components that come into it.

So that's one of the more significant projects that I've been involved in here in this state, and one that I actually am probably most proud of, given the amount of time and effort and energy it took and the wonderful partners that we had to do it. The Taos Land Trust is also working with our organization on another very significant acquisition that I'd like to direct your attention to--Ute

Mountain, which is along the Colorado border, 14,000 acres, including an entire mountain and seven miles of frontage on the Wild and Scenic Corridor of the Rio Grande. It's a spectacular property. Again, working with the Taos field office of the BLM, BLM was able to acquire the first phase last year and protect almost 7,000 acres of land. We have yet to protect the remaining 7,000 acres of land, and I'll be looking to all of you for your help to make that happen. Taos Land Trust again is working with us to do a letter-writing campaign, and there's an opportunity for all of you to write to your congressional delegation and ask for funding to acquire the second phase of Ute Mountain.

Here in the Taos area, we've been very lucky in securing federal funding for some of these larger landscape-protection initiatives. There is not a great deal of funding at the state level, and that's why I spoke up earlier when Senator Cisneros was speaking. It's very important for all of us to continue to push our legislators to create a statewide funding mechanism. Also, what I really want to focus on today is the potential for creating a local source of funding so that you can potentially match federal sources or match state sources of funding. I do want to just highlight a couple of other sources of funds for you, before we dive into those more local issues.

A couple of federal programs are available. One is known as the Forest Legacy Program, and I was very involved in working with the State Division of Forestry to help create that program here in New Mexico. Right now, we're working on an easement of a 13,000-acre ranch in Mora, in Colfax County, not too far from here. This program is federally funded, but it's run through the State, through the Division of Forestry, and it provides federal funding for the acquisition of conservation easements of working forest land. It provides up to 75 percent of the value of a conservation easement. So it's a very important source of funds. Again, it is federal funds, which really helps a state like New Mexico. We're looking at protecting several hundred thousand acres of land, mostly in the northeast portion of the state, that is a just tremendous block of private forest land that a lot of us have come to think of as publicly owned. Angel Fire is an area that exhibits the impacts of growth on forestland resources. A lot of private ranches surround that community, for example, that could potentially be protected through this program.

A similar program is the farm and ranchland protection program. That is run through the Natural Resources Conservation Service. It provides up to 50 percent of the appraised fair-market value of a conservation easement on

working farms and working ranches. One of the things that my organization is trying to do, again, is to develop those local sources of funding that might be able to match these federal funding entities. So we're working with the community in Corrales, for example, to create the very first program in the state for the purchase of development rights. The enabling legislation just passed last year. This community would be the first. Their goal is to try to create a matching source of funds for the farm and ranchland protection program so they can save the farmland that identifies their community.

Back to Taos. I want to look at population growth. You've heard from basically all of the speakers this morning that growth is inevitable in this state. This chart shows 1990-1999. It shows Taos County as growing at a rate of 17 percent per year. The next slide shows the Taos County projected growth for the years 2000-2020 at a rate of 19 percent per year. Statewide, you may not be aware of this, but in the next ten years, the U.S. Census Bureau predicts that New Mexico will be the second-fastest growing state in the nation, behind California. It's a pretty sobering statistic, and something I think we all need to think about, in terms of what the impacts of that growth are.

Colorado, our neighbor to the north--and it's happening in all the states surrounding us and

it's beginning to occur here--I feel like we're on the cusp, right now, of this growth curve. Recognizing that growth is inevitable, I think we're all here today to try to figure out how we can direct it. How do you protect those critical farm and ranchland resources that are important to your community? I want to acknowledge the Taos Trails Alliance and the Rocky Mountain Youth Conservation Corps and Miguel Salinas for all the work that you all are doing to create this green infrastructure plan, because again, what you're doing is you're setting your vision in place. You've got your Vision 2020; now you're determining what resources are important to this community. Farm and ranchlands, for example, our water resources, wetlands, trails, corridors. How can we create the funding to protect those resources?

I think of New Mexico as the state where the natural resources are plentiful and the funding is scarce. We are one of the poorest states in the country, often cited as the poorest, and yet we have just an incredible bounty of natural resources. People come to live here because of the natural beauty and the cultural resources that we have. So we're at a very critical crossroads. We see that growth is coming; we're starting to experience it. We're not quite yet at the level that some of our neighboring states like Arizona, Colorado and Texas have expe-

rienced. So I think what's very important for us right now at this critical juncture is to raise the awareness of the people in this state and this community of the need to protect those beautiful resources now before it's too late. We have an opportunity right now to protect those areas that define us as communities, and we're very lucky to be living here at this time and to have that opportunity. I see as our biggest challenge creating the funding to make that happen. Colorado has a dedicated source of revenue from its lottery proceeds that it's plowing into land conservation. Arizona set aside hundreds of millions of dollars at the state and local levels, even at the county levels. They're creating funding sources that run in the hundreds of millions of dollars for land conservation. We don't have that luxury right now here in the state. Thankfully, we're starting to see some more money going into our state Game and Fish Departments and our State Parks departments. This last legislative session was a breath of fresh air after eight years of almost zero funding for those agencies at the statewide level.

My organization is working with a coalition of organizations to create a statewide funding mechanism, and I'm really pushing to have a portion of that be a pass-through granting entity down to local communities. This would allow the local communities to get matching

funds-maybe state funds, maybe federal funds-through some of these programs. And then it would be an incentive to all of you to create a funding source here locally so that you could leverage that. I've seen the impact of that leveraging on many communities throughout the Southwest. I've been involved in some measures up in Utah, for example, where they set aside a very meager amount at the statewide level, \$3 million, that ended up leveraging funding for tens of thousands of acres in farm and ranchland preservation throughout the state. So it doesn't have to be a huge amount to have a huge impact.

At this point, I'd really like to introduce my associate, Nissa Maddox. Nissa is my conservation finance guru. For the Western states, I'm the State Director. I work on land conservation transactions, as well as trying to create funding sources in the state. But I rely on people like Nissa to come down here and help us look at potential ways of creating local sources of funding. And Nissa can talk a little bit about what we've been able to do nationally and again bring it back down to the local level.

**Nissa Maddox:**

As Deb said, I'm actually from our Denver office, but I do get to work with a variety of communities, not only in that state, but across the Western states. I certainly appreciate the opportunity to come down and

work with all of you. It's great to hear all that's going on, because I think I'll echo what Deb and other people have said, that there is tremendous opportunity here, and hopefully I'll help you lay the groundwork.

Trust for Public Land decided long ago that one of the most important things we could do is work to empower local communities to protect their resources--which is why, back in 1996 we started this idea of conservation finance. Back then, it was really just this gem of an idea that people are willing to help pay for parks and open space. Since then, we've really developed a tremendous resource that benefits communities, essentially for free, to help them understand what conservation finance is and how they can create a program for their community. That's what I'm talking about today, how TPL has, over the last almost decade, defined conservation finance--and how we've been able to really put forward successful measures, because they aren't all successful, but there are ways to make them have a better chance of success.

Obviously, I've done a lot of work to create a lot of money across the country. In 2002 alone, 40 measures, \$8.2 billion for parks and open space. That's a lot of chunk change, so it's pretty exciting. There has definitely been a change in the way people view conservation finance. It's actually viewed as local control, particularly in the

Western states, where that's a big issue, and it's a very politically powerful way to resolve some of the land-use conflicts. We all know big growth is inevitable. How do we balance growth with protecting our resources? This community can act locally to both identify and then conserve those resources.

Across the country, there has been a lot of activity by communities creating conservation finance measures--particularly in Colorado. Again, it's having that state funding mechanism in place and then finding the local match to accommodate. There are a lot of measures on the ballot across the country--this is nothing new. People are doing this more every year, and you can see that the success of passage, despite the downturn in the economy, has really helped. People view this as a necessity, as something very tangible, right in their backyard, and it tends to transpire from the economic downturn. People want to do better.

Here in New Mexico, we're just getting started. Santa Fe County already has two measures. You can see that where the growth is happening is where they're getting active. You see it in Albuquerque. \$45 million--that's a great start for a program. And also in Bernalillo County, where we're working with the City of Corrales.

How conservation finance works. The first thing I want to do is define what conservation finance is. It's actually putting

together a funding mechanism at fiscal levels that are sellable, that are seen as high priorities by the electorate--and I'm going to continue to emphasize those points throughout this presentation, because those are two very key points. There are a whole lot of steps involved with this. It takes time, it takes a lot of effort, but we're also working with organizations like TPL. Like I said, TPL has done a good job of figuring out how to work with communities to advance through all these steps. I want to talk about each of them individually.

Capacity building. It seems like this is where you guys are. You've got to have that broad-based coalition of not only your local citizens, but of your elected leadership. Typically, to get local funding mechanisms put on to the ballot to go before a vote of the people, you must have the support of city council or of county government. They're key partners in this, and their leadership--along with the convergence of local leadership of businesses, non-profits, communities and other invested interests--is critical and it's the first step.

Feasibility research. Feasibility research means to take a measure and figure out how to make it successful. One thing that TPL's gotten good at is understanding the different impacts on the local community. We want to do research. We want to know what the legal options are. In every communi-

ty, it's a little bit different, in terms of whether or not they can pass a sales tax or a gross-receipts tax, whether or not they can bond, and at what level. What's the impact on the population? We also want to do our fiscal analysis. We want to understand what the current open-space funding is. We want to look at other revenue trends. We want to understand the political issues that are on the ballot. Is there a large library or a school measure going before the voters, and what are the priorities? Then we also look at election analysis. Local funding tends to be a measure that goes before the local citizenry for a vote. We want to know if they have a history of passing local measures. If not, that's a big sign.

Survey research. The second most important thing you can do to successfully pass a ballot measure is to understand where the voters are. Twenty of us could sit in a room and come up with the absolute best idea. We want to know how the voters feel. How much are people willing to pay, to what funding mechanism, and for what purposes? These are three critical questions, and we really do want to understand where the voters are.

The absolute most important thing you could do on a measure is to write in good clear English. I do this for a living, and I walk into a ballot box and I read other ballot measures and I say, "What? What is this

going to do?" There is a lot of legislation that dictates how these things get put out to the community, and oftentimes you'll see, "Shall taxes be increased and the tax of the community to create taxes to then do certain things?" We'd rather see ballot language that really helps people understand what it's going to do. "We're going bond for x-amount of money so we can preserve important cultural resources, so we can plan and guide for growth, so we can invest in our parks and trail systems." People want to know what we're talking about, because in the best campaign in the world, you still walk in and people have never seen this before. They've got to understand what we're doing right there in the ballot box.

Again, keys to a successful measure. We must meet a compelling need. You can have someone in the city government who says that we need a recreation center, we need a giant aquatic facility, and then others are thinking open space, or they think our community is growing too fast. What we want to do is bring the two ideas together. What's the compelling need for the community? The resource must be appropriate and affordable. There was a town in Idaho where the mayor wanted a \$50 million measure, and we tested the voter opinion and they said "No." So we tried \$20 million, and "No." \$10 million, and "OK, great. We're there, we can do that." They

want to see a Chevy before they're going to see a Cadillac, and they want to invest in a program, see it have some success, and then you can go back and ask for more. So just because your first time out of the gate doesn't get you everything you need, because it's never guaranteed, we could add up the cost of the need in this community--and it's not going to come only from the community--get something started, and then you can go back.

Also, voters have to have the confidence that the money's going to be spent wisely. How would people have trust in government? It's an important piece. There are ways to recommend a set sum, so it's not a blank check. There are ways to appoint a citizen's advisory committee that make recommendations to a local funding body. Putting a cap on administration, and then also things like an independent audit--it's not that the government doesn't audit itself every year, but maybe you say you're going to publish that in the newspaper on an annual basis. Small things that really ensure accountability. And then of course, you've got to get out and talk to people. Just because you've put this thing on the ballot doesn't mean it's going to pass. So we've got to keep up the good campaign.

Taos opportunities. We actually have done some opinion survey work in Taos, and there is support for a measure,

which probably isn't surprising to you, and some of the key components of that, obviously, involve water. Aquifers, wetlands, acequias, traditional and cultural sites are very important, agricultural lands, wildlife habitat. But then also, there's that recreation component. There is a whole laundry list of things, but it really represents a broad need from the community. Next steps--you guys are doing it. You've got the green infrastructure plan. It's really going to help you identify those resource protection objectives, and as Miguel says, really articulate the need for local funding, and hopefully we can identify what that might be. Through that process, you begin to build community support, and I'll continue to encourage you to engage the elected officials.

Finally, how we can help. We're incredibly excited about being involved in this community. Deb has obviously, through her program, invested a

lot of energy up in this area. If we can continue to help you articulate the need and then pass a successful measure, we'll certainly do it. We'll count on you to help craft a measure that reflects the priorities and continue to assist throughout the campaign. We're here to help.

Thank you.

