NW Community Forest Forum
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Why Do Land Trusts Partner with Private Capital?

• Investment manager can serve as a “land bank” to assure that significant conservation properties are held still over time as conservation funding is assembled for fee or conservation easement purchases
• Investment manager can bring significant purchasing power to help land trusts do projects on a larger scale
• Private investors can access New Markets Tax Credit financing and other attractive debt mechanisms
• Investment managers can manage properties to monetize natural resource values while protecting conservation values
• Cash flows from other properties in an investment manager’s portfolio can service debt on important conservation properties
Lyme Timber and Community Forests

Lyme has been or is currently involved in 3 community forests **as investors:**
- 13 Mile Woods- Errol, NH
- Amherst Community Forest- Amherst, ME
- Grand Lake Stream Community Forest- Grand Lake Stream, ME

Lyme has been involved in 2 community forests **as advisors:**
- Elk Creek Community Forest- Condon, MT (Wilberforce Foundation)
- St. Hereford Community Forest- Quebec, Canada (NH Charitable Foundation)

The end for Lyme may actually be the beginning for the community forest ownership entity. Lyme has used the opportunity of a community forest to take the risk out of its “exit strategy.”
Alternative Funding Mechanisms for Community Forests

Land banking (at the inception of a community forest initiative):

- TIMO buyer with option to NGO
- TIMO buyer plus favorable debt with option to NGO
- TIMO buyer with partial sale to NGO or option for a portion of the property to NGO

Shared Revenue Streams (to allow for shared investment returns in partnership with community forest scheme):

- Pre-purchase of ecosystem services
- Term timber deed
- Phased sales of undivided interests to NGO
Case Study:
Grand Lake Stream, Maine
# Case Study: Grand Lake Stream

## 22,000 acres of high priority conservation land in Maine

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<thead>
<tr>
<th>Conservation Attributes</th>
<th>Community Development Attributes</th>
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<td>- Prior conservation success in the region</td>
<td>- Sustainable timber harvests creating jobs in the woods</td>
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<td>- 17 miles of lake shoreline</td>
<td>- Public recreation opportunities</td>
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<td>- Land along Grand Lake Stream</td>
<td>- Potential for municipal acquisitions, including 172 acres for future mixed use development, affordable workforce housing, a transfer station and light industry</td>
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<td>- 42 miles of interior streams</td>
<td>- Potential creation of community forest, giving the community a say in natural resource management decisions</td>
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<td>- Almost nine miles on Big Musquash Stream</td>
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<td>- Over 3,000 acres of wetlands</td>
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<td>- Deer wintering areas and other wildlife habitats</td>
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<td>- Amazon Mountain and the Pineo Mountains</td>
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Case Study: Grand Lake Stream

In 2008, Lyme purchased the property for $19.3 million

- $4.8 Fund equity
- $12.5 million bridge financing through the Federal New Markets Tax Credit Program
- $2.0 million option payment from DLLT to acquire conservation interests over time
Questions?