

2022 CANADIAN
LAND TRUST
SUMMIT

SOMMET NATIONAL
DES ORGANISMES DE
CONSERVATION 2022

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Strategies for Funding Long-Term Stewardship

Susan Walmer, *Oak Ridges Moraine Land Trust*
Bonnie Sutherland, *Nova Scotia Nature Trust*
Jasper Lament, *Nature Trust of British Columbia*



Standards & Practices - Land Stewardship Fund



<p>Determine stewardship costs</p>	<p>Determine the immediate financial and management implications of each conservation property acquisition or contractual stewardship commitment and estimate the long-term implications</p>
<p>Anticipate and track costs</p>	<p>Anticipate and track costs associated with long-term land management, stewardship and enforcement of conservation properties</p>
<p>Stewardship funds in Place</p>	<p>Adopt and implement a plan to build and maintain dedicated or restricted funds sufficient to cover the long-term costs of stewarding and defending the land trust's land and conservation agreements</p>

Determining Stewardship Funding



Needs

Methods to calculate stewardship endowment targets:

Bottom Up or Top Down

- Bottom Up (endowment needed to generate income for anticipated annual costs)
- Top Down (endowment amount based on Fair Market Value of property)

Method 1: Bottom up Approach



STEP 1: Calculate Anticipated Annual Stewardship Costs

- Property tax liability
 - Taxes plus staff time to administer titles and tax break request
- Property insurance
- Monitoring costs
 - Staff time, travel, supplies, equipment
- Stewardship costs
 - Stewardship/restoration activity costs (e.g. invasives management, rubbish clean-ups) (staff time, travel, and equipment, contractors)
 - Legal fees
 - Managing requests to build infrastructure on land trust properties
 - Managing public access and use (e.g. fences, kiosks etc.)
 - Managing stewardship volunteers
- Signage (estimate cost to replace every 10 years)

Method 1: Bottom up Approach



STEP 2: Calculate Endowment Needed to Generate Funds for Annual Costs

- Determine your land trust's investment income policy for stewardship
 - i.e. % of endowment investment income earned that is used annually to cover stewardship costs (3% is common used currently by land trusts for annual budgeting)
 - Best not to use all income earned to allow for growth, inflation etc.
 - Best based on a rolling average (3 or 5 years) of funds in the endowment
- Use formula to determine endowment amount: Annual stewardship costs divided by percent of endowment income used annually

Example: Anticipated annual stewardship costs = \$10,000
Land trust uses 3% of income earned annually for stewardship

Endowment fund needed is $\$10,000/0.03 = \$333,333$

NHCP-LTCF Template for Stewardship Fund Calculation



Annual Stewardship Costs			Amount
Travel			
Maps and Photos			
Overhead/Administration costs (telephone, printing, postage, admin)			
Professional service costs			
Signage and other infrastructure (i.e. replacing signs, fencing etc.)			
Special monitoring provisions			
Annual property tax			
Other _____			\$ -
	Hourly rate	# of hours	Total
Staff Costs (planning, monitoring, meeting with owners, neighbours, stakeholders, reviewing /implementing/updating stewardship plan, undertaking stewardship activities, coordinating volunteer stewards, enforcing restrictions, reviewing/approving any easement provisions/notices by owner, reporting/tracking on monitoring/stewardship work) Other _____			\$ -
	Subtotal		\$ -
Stewardship Endowment Fund Required to Cover Annual Costs			
	Annual costs	Rate of Return (%)	Ttl Endow Required
Endowment required to generate funds to cover annual monitoring and stewardship, i.e. the endowment amount needed to generate annual revenues adequate to cover annual costs assuming a return of x% after inflation	\$ -	X%	\$ -
Other One-Time Costs			
Legal defense contribution (if relevant)			\$ -
Restoration costs (if relevant)			
Other: _____			\$ -
	Subtotal		\$ -
Total Endowment Needed			
	Total		\$ -

Method 2: Top Down Approach



Proportion of Fair Market Value Method

- Determine the land or easement's FMV then apply a percent of FMV as minimum endowment fund
 - Land Trusts choose the appropriate percent for their organization (usually 10-20%)

Example: NHCP-Land Trust Conservation Fund method

Formula used: 10% of FMV up to a max. of \$400,000 (min. \$5,000)

If FMV of land is \$500,000, required endowment fund is 10% of \$500,000 or \$50,000

Which Method is Best?



- Land Trusts should choose the endowment fund calculation method that best meets *their* unique needs
- Property-specific endowment amounts are a minimum: aim higher!
- Plan for the unplanned and unexpected: Top up your land trust's combined stewardship endowments at every opportunity

Investment Considerations



- Investment Approach
 - Cash and cash equivalents only (e.g. GICs, money market funds)
 - Mix of cash, stocks, equities
 - More advanced tools (real estate, infrastructure, hedge funds)
 - Ensure balance of sustainability, growth, risk
 - Consider environmental, social, ethical implications of your investments
- Responsibility for Investment Management
 - Self-managed endowments (investment committee of your land trust's board)
 - Professional fund manager
 - Community foundation (they own and manage the fund)



Funding Sources for Stewardship

Bonnie Sutherland, *Nova Scotia Nature Trust*

Challenges to Fundraising for Stewardship



- Stewardship perceived as harder to ‘sell’ (inspire gifts/attract funds)
 - May not have charisma, urgency, philanthropic appeal
 - Donors want to fund the “exciting” stuff—saving significant, threatened land
 - “Nobody wants to fund stewardship” “It’s operational activity, day-to-day work”
 - Some don’t like endowments (“charities shouldn’t have funds lying around doing nothing” or “If they have all that money, they don’t need my donation!”)
- Most government programs/foundations don’t fund stewardship endowments (but many require it!)
- Few grants for stewardship activities
 - Most is “project-based funding” (not core stewardship program costs; not the work that’s really needed)
 - Limited scope (e.g. short-term student funding)



ALWAYS HOPE, THERE IS

Stewardship IS Fundable!



A word cloud featuring various terms in different colors and orientations. The words are: innovation (vertical, light blue), tech (vertical, light blue), inclusion (vertical, light blue), diversity (vertical, light blue), climatechange (horizontal, light blue), biodiversity (horizontal, light blue), community (horizontal, light blue), storytelling (horizontal, light blue), families (horizontal, light blue), legacy (horizontal, light blue), science (horizontal, light blue), high (horizontal, light blue), discovery (horizontal, light blue), forever (horizontal, light blue), nature (horizontal, light blue), partnerships (horizontal, light blue), discoveries (horizontal, light blue), crossculture (horizontal, light blue), people (horizontal, light blue), collaboration (horizontal, light blue), warm&fuzzy (horizontal, light blue), research (vertical, light blue), and research (horizontal, light blue).

Revenue Streams for Land Stewardship



1. Portion of general operating revenue
2. Annual stewardship fundraising
3. **Revenue from stewardship endowments*****

Stream 1: Operating Revenues



- Portion of general operating revenue
 - Unrestricted donations and grants
 - Unrestricted event revenues
 - General investment income

Stream 2: Annual Stewardship Fundraising



- Funds raised each year to cover ongoing stewardship costs
 - Grants for stewardship activities
 - Government grants (e.g. Eco Canada, Canada Summer Jobs, provincial student/youth programs to cover summer stewardship staff)
 - Private foundation/corporate grants (e.g. RBC Tech for Nature to fund remote monitoring, TD Friends of Environment for property volunteer recruitment/training)
 - Sponsorships
 - e.g. Sponsor a particular property or region (pay for stewardship costs and potentially volunteer too); publication/distribution of a property volunteer handbook; a stewardship event (clean-up, invasive species removal etc.)
 - Stewardship-specific fundraising
 - Stewardship-themed donor appeals, special events etc.

Stream 3: Stewardship Endowment



- Revenue from stewardship endowment used annually to fund stewardship costs
 - Only income should be used—capital remains in the fund in perpetuity to provide long-term, sustainable annual revenues
 - Withdraw an established portion of investment income earned (using % determined by land trust endowment policy)
 - Amount typically based on a rolling average (3 or 5 years) of funds in the endowment

***Reliable, replicable funds you can count on every year

Reassuring to landowners, donors, funders that you have the resources in place to keep your promise of perpetuity for your conservation lands

Stewardship Endowment Fundraising Ideas



Property specific fundraising

- Landowner contributions (donation, annual pledge or bequest)
- Fundraising appeal for the acquisition of the property, with endowment funding built in (i.e. appeal to save *and protect forever* property X). All funds not required for securement go to endowment
- Grants (rare but they exist!) e.g. NS Crown Share Land Legacy Trust, Alberta Land Trust Grant Program)

Multiple property endowment fundraising

- Stewardship endowment campaign/appeals (like university/hospital campaigns)
- Multiple property land securement campaign, including stewardship endowment (e.g. *Twice the Wild* campaign)
- Bequests allocated to stewardship endowment fund
- Ensuring 'stewardship' or 'land management,' 'caring for our protected lands' is part of all your communications materials, giving pages etc.

- Campaign to double our conservation lands by 2025
- \$20 million goal: funds to secure land and build stewardship endowments for all lands saved
- Highly successful, stewardship a key part of the story-telling and donor response

Twice
THE WILD

NOVA SCOTIA
Nature Trust

Twice the Wild
Donate today. Protect twice as much of the Nova Scotia you love.
Over the past 25 years, the Nature Trust has protected 15,000 acres of irreplaceable natural places across the province. But with growing threats to nature, we need to save more, and more quickly. Imagine twice the wild—30,000 acres—protected. For nature, for us to enjoy, forever.

You make the difference

YOU can have a huge impact on protecting the Nova Scotia you love - because right now, **every dollar you donate unlocks four more in matching funds.**

Our Lasting Landscapes campaign's bold achievements inspired this historic federal funding. Other key partners are ready to invest.

Together these commitments will generate \$4 additional dollars for every \$1 you donate towards our \$4 million public campaign.

Join us for this once-in-a-lifetime win. Twice the wild - right now, and forever.

Campaign Details		
LANDS SAVED Over 15,000 acres of new protected land by 2023	PUBLIC CAMPAIGN GOAL \$4 Million	FUNDS LEVERAGED At least \$16 Million (Leveraging power 4 to 1)

Every dollar you donate will leverage four more dollars to save land, through government and other funders.

Your \$1000 gift generates another \$4000, for a total of \$5000 new funds for land conservation.
Your \$10,000 gift generates another \$40,000 for a total of \$50,000 to save more space for nature.

Help save the wild places you love. Ensure that our wildlife thrives. Protect a healthy planet. And preserve a legacy of wild spaces for future generations to enjoy. Make your tax deductible campaign donation today.

What does twice the wild look like?

WENTWORTH VALLEY
This vast forest and freshwater wilderness is home to endangered mainland moose, turtles and birds - and some of Nova Scotia's best outdoor adventures.

MABOU HIGHLANDS
A growing land assemblage in the highlands and along the Cape Breton coast preserves over 2000 acres of hardwood forests, brooks and ravines, rugged seashore and world-class hiking trails.

BEAUTIFUL BRAS D'OR
Two growing projects around this globally recognized Biosphere Reserve protect rare karst (gy psum) landscapes with unusual sinkholes and caves, and critical habitat for endangered bats.

KESPUKWITK WILD
One of Canada's Priority Places for conservation, these critical lakes, rivers and wetlands are home to species of plants and wildlife found nowhere else in Canada and at risk of extinction.

ST. MARY'S RIVER
This stunning "ribbon of green" shelters towering old growth forests, rare forested floodplains, endangered turtles, birds and Atlantic Salmon.

SOUTH SHORE WILD ISLANDS
These coastal islands are essential for recovering and preserving our imperiled populations of migratory birds, nesting seabirds, increasingly rare songbirds, and shorebirds.

URBAN WILDLANDS
Access to nature, right in our own backyard. Intact urban wildlands also provide refuge for wildlife and essential services from carbon sequestration to flood prevention.

100 WILD ISLANDS
One of North America's last great wild archipelagos, these spectacular islands support every coastal habitat in the province, from pristine sand beaches to vast wetlands to coastal rainforests.

...and brand new protected areas, all across Nova Scotia!

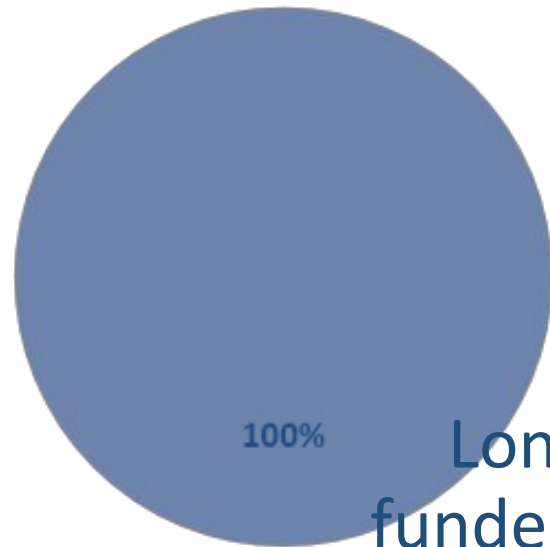
NOVA SCOTIA Nature Trust
Box 254 Station Main
21 Prince Albert Rd. E.
Dartmouth, Nova Scotia B4Y 3Y3

Donate now to save twice the wild!
You can save nature by donating online, mailing your cheque, or calling us. Make a pledge over time, or become a monthly donor. Save even more taxes by donating securities!
For more information, contact Barbara at (902) 579-9977 or Barbara@nsnt.ca
twicethewild.ca

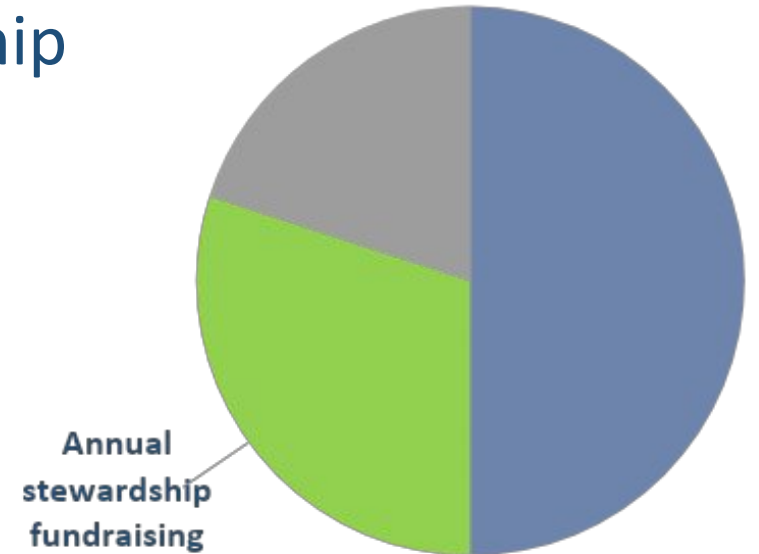
Allocation of Costs to Revenue Streams



Annually—Determine percent of annual stewardship costs to be covered by revenue streams



Long-term—all stewardship costs should be funded by reliable, replicable annual revenues



Reducing Stewardship Costs



- Use volunteers/partner groups for monitoring/stewardship
 - Use engagement organizing approach (empower volunteers to lead/autonomy)
- Use technology for efficiencies (stewardship database/apps, drones, remote sensing, trail cameras, field tablets) - big investment but fundable
- Use a risk management approach (focus efforts where most needed/flexibility in approach based on property-specific needs)
 - e.g. Remote monitoring to supplement on-the-ground visits; virtual easement owner meetings
- Create/access municipal/provincial property tax incentive programs
- Learn from and share your stewardship learnings/best practices with other land trusts
- Review systems, templates, approaches regularly—maximize efficiency/effectiveness

Sector-wide Funding Possibilities



- Stewardship endowment as eligible expense in federal grant programs (e.g. NHCP-LTCF, Challenge, Priority Place, NSCS, HSP) and other government/foundation grants***
- Stewardship endowment as eligible match in federal grant programs, other gov/foundation programs
- Federal stewardship endowment matching program (matching endowment raised by land trusts) (e.g. Canada Cultural Investment Fund)
- Federal grant program for “core” stewardship activities (e.g. monitoring, core staff etc.)
- National land trust insurance program (e.g. LTA Terrafirma)



Key Challenges Land Trusts Face in Building Resiliency for the Future

Jasper Lament, Nature Trust of British Columbia

Land Portfolio Growth & Fiscal Sustainability



- As land trusts grow their land portfolios, small tasks become an ever-growing responsibility and eventually require dedicated staff capacity e.g. administering property titles and property tax exemptions
- As land trusts grow their land portfolios, the likelihood of an infrastructure impact, a major trespass incident, etc. grows year over year
- As land trusts grow their land portfolios, the likelihood of a member of the public being injured on your property grows year over year. This has implications for insurance cost and future coverage.

Funders



- Most land trusts establish a land management endowment or stewardship endowment at the time of securement.
- Many public funders do not consider land management endowments to be an eligible cost.
- Some private funders push for a lower endowment target to reduce the total cost of securement.

Changing Costs of Land Management



- Salary pressures
 - Cost of living increases for staff
- Integrating new technology solutions
- Inflation
 - Vendor costs for IT, utilities, etc.
 - Office costs
 - Fleet, travel and mileage costs
 - Event costs
- Access Management
 - Increasing demand from the public for access and recreation

Volunteers



- Changing demographics
 - Boomers are aging out of their prime volunteer years
 - People are delaying retirement
 - People are having children later in life
- Changing operational needs of land trust
 - As land trust properties and land trust portfolios grow, the ability of volunteer “work-days” to meet ecological needs changes.
 - As land trusts do more projects and more complex projects, their need for legal services may exceed the availability of pro-bono services.

Property Tax Liabilities



- Many land trusts rely on property tax exemptions to minimize or eliminate property taxes from their annual expenses
- Tax exemptions can be governed by provincial, and/or regional, and/or municipal governments
- Rising land values increase the potential property tax liability of land trust fee simple properties
 - e.g. a marsh in Metro Vancouver purchased for \$250k is now assessed at \$12M
- Risk of property tax policy changes
- Tax exemption policy can change from year to year within a municipality
- Municipalities sometimes “cap” their total budget for property tax exemptions and then pro-rate the exemptions for all non-profits on their list

Climate Change Impacts

Frequency & Severity of Natural Disasters

- Hurricanes, tornadoes, and storms
 - Damage to buildings
 - Danger trees on trails
 - Erosion
- Wildfires
 - Burning fences
 - Post-fire weed management
- Floods and Sea Level Rise
 - Damage to roads, buildings, farms and ranches; erosion
- Invasive Species



The Future is Bright



- Policy and funding solutions are being explored at the provincial and federal scales – our regional alliances and ACLT are here to help!
- Lessons to be learned from each other and from the U.S. land trust community too
- Land trusts are creative, innovative, entrepreneurial and can be resilient

What Next?



- Establish your stewardship endowment policies
 - e.g. Method to calculate stewardship fund need; short and long-term revenue stream mix; plan to raise funds; long-term stewardship fund target
- Create your endowment fundraising plan. Be bold. Think Big!
- Engage, educate and inspire your donors, funders, communities about stewardship and the importance of stewardship endowments
- Share your lessons learned, best practices, great ideas with land trust network
- Support national efforts to build stewardship funds for land trusts
 - e.g. Eligible expense in federal grants; national endowment matching program, national insurance program



For More Information



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