



# **THE NEXT LEVEL**

**THE PINGREE FOREST PARTNERSHIP AS A  
PRIVATE LANDS CONSERVATION INNOVATION**

**BY JAMES N. LEVITT**

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***The Program on Conservation Innovation  
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*Petersham office: P.O. Box 68, Petersham, MA 01366 USA*

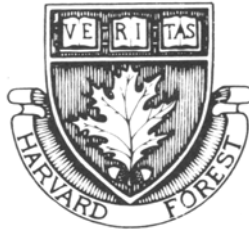
*Belmont office: P.O. Box 79218, Belmont, MA 02479 USA*

*Web: [www.ConservationInnovation.net](http://www.ConservationInnovation.net) and  
[harvardforest.fas.harvard.edu/research.html](http://harvardforest.fas.harvard.edu/research.html)*

*E-mail: [james\\_levitt@harvard.edu](mailto:james_levitt@harvard.edu)*

*Telephone: 617-489-7800*

*Fax: 617-489-7855*



## THE PROGRAM ON CONSERVATION INNOVATION

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### *THE NEXT LEVEL:*

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JAMES N. LEVITT <sup>1</sup>

October 2003

#### ABSTRACT

The Pingree Forest Partnership, a multi-year effort spearheaded by the New England Forestry Foundation to acquire a permanent conservation easement on 762,192 acres of privately-owned forestland in the state of Maine, stands as an important conservation innovation marked by novelty and creativity in conception, political significance, and measurable effectiveness. Conservationists active in the first decade of the twenty-first century are striving to transfer several of the innovative aspects of the Pingree project to new initiatives in North America and around the world. Should innovative aspects of the project be widely transferred to other initiatives, the Pingree project may have an enduring impact as a conservation innovation over the span of many decades.

The project has already, in several ways, helped to “change the game” in the field of private lands conservation in the U.S., sometimes generating controversy among conservationists active in Northern New England. It represents a new level of scale for private land conservation deals, being the first of its kind to cover an area larger than 500,000 acres. Beyond its size, the Pingree project stands figuratively as a “big deal” because of several inventive aspects of the effort, including: the emergence of a novel value proposition for landowners and potential donors; the use of a creative fundraising and media strategy; and participation in the development of a potentially path breaking method of efficiently monitoring landscape-scale easements over time.

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## *Preface and Acknowledgements*

The purpose of this paper is to serve as a case analysis of an important achievement in the recent history of the land conservation movement in America, the Pingree project. The intended audience includes: the leadership of conservation-oriented organizations in the public, private, non-profit, and academic sectors who may want to encourage similar initiatives in their own organizations; allied conservation field practitioners, including the women and men who are constantly seeking new ways to protect and steward landscapes and waterscapes across the globe; conservation organization supporters and funders who are striving to understand and invest in “what works;” and researchers interested in how entrepreneurs with bold visions are shaping not only private business and public policy, but also the strategies of not-for-profit organizations.

What this paper does not attempt to do, beyond citing the reports of independent service providers regarding the certification of Pingree forestlands under Forest Stewardship Council and Sustainable Forestry Institute guidelines, is to offer any systematic analysis or forecast of the ecological, economic, or social impacts of the Pingree project within Maine, or across a broad geographic scale such as the Northern Appalachians that stretch from New York’s Adirondacks to Quebec’s Gaspé Peninsula. There is considerable scientific and policy-oriented interest in seeing how the Pingree project, and other forestland conservation easements like it in Maine, in New England, and throughout North America, will affect regional or “landscape-scale” efforts to: protect biodiversity conservation, ecosystem functions and watershed health; promote economic and community development efforts; and impact land ownership and conservation efforts on property owned or managed by nearby state, federal, non-profit, corporate, and family-run organizations. My hope is that this case analysis, which focuses on a remarkable entrepreneurial effort in the late twentieth century, will open doors for new investigations of such impacts over the course of coming decades.

The idea for this paper was born in a series of discussions between myself, Merloyd Ludington, and William King in 2001. Ludington, a long-time board member of several prominent New England conservation organizations, including both the Massachusetts Audubon Society and the New England Forestry Foundation (NEFF), expressed her interest in seeing produced a “warts-and-all” review of the Pingree project, to give the wider

conservation community in the U.S. a chance to share in some of the lessons learned from an extraordinary and precedent-setting initiative. King, a former President and Executive Director of NEFF who is presently active in an effort to advance civil society in Russia, shared Ludington's interest. He was additionally keen to see that such a study might, in a relatively brief format, be accessible to international audiences that are working to understand and advance the idea of private lands conservation.

Following discussions with Ludington and King, I contacted several Harvard University colleagues to learn about their points of view regarding the prospective paper. These colleagues included: David Foster, Director of the Harvard Forest; John O'Keefe, Coordinator of the Fisher Museum at the Harvard Forest; Charles H.W. Foster,<sup>2</sup> Secretary for Environmental Affairs for the Commonwealth of Massachusetts during the Sargent administration, former Dean of the Yale School of Forestry and Environmental Studies, and currently a fellow and lecturer at the Kennedy School; and Alan Altshuler, the Ruth and Frank Stanton Professor of Urban Policy and Planning at Harvard University and Director of the Taubman Center for State and Local Government at Harvard's Kennedy School of Government. Each of these four individuals was enthusiastic about the project and agreed to serve as an independent reviewer of document drafts as they were prepared. They all did so with the understanding that, while I would be free to offer the New England Forestry Foundation and others associated with the Pingree project an opportunity to review and comment on various document drafts, final editorial decisions would be reserved by me in my capacity as a researcher associated with Harvard University.

On that basis, funding and organizational support has been provided for the preparation and distribution of this case analysis by several sources, including the New England Forestry Foundation, an anonymous source, and the Roy and Lila Ash Institute for Democratic Governance and Innovation at Harvard's Kennedy School of Government. I would like to thank all of the funders and reviewers for their very generous patience, and for helping to bring to light this consideration of an initiative which has been instrumental in taking conservation easement dealmaking in the North America to "the next level." I would also like to thank all of the individuals interviewed for this project over the course of two years, including Keith Ross, Cynthia Wood, Charlie Thompson, Rich Davison, Frank Hatch, Phil Balboni, Charles Kravetz, Ann Fowler Wallace, Wil Merck, Elizabeth Swain, Tim

Ingraham, Jay Espy, Peter Stein, Bayard Henry, Merloyd Ludington, Steve Sader, Amos Eno, Steve Schley, Frank Reed, William King, John Hemenway, Whitney Hatch, Janet Kraft, Steve Blackmer, Andy McLeod, Eliza Cope Nolan, David Kittredge, and Jackie O'Connor. My research assistants, Dana Serovy and Anna Allen, diligently took notes during field interviews, asked incisive questions, and served as particularly careful editors in bringing various drafts to completion, earning my special gratitude. I would like to dedicate this effort to my wife Jane and children Will, Daniel, and Laura, who share with me a deep love for our own small piece of the Maine woods.

*James N. Levitt*

*Belmont, Massachusetts*

*October 2003*



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*1. Introduction and Executive Summary*

In the spring of 1999, Keith Ross, Frank Reed, Jerry Bertrand, and Bill King made a trip to Harvard's Kennedy School of Government in Cambridge for a brainstorming session. They came to talk with several Kennedy School professors and staff members regarding prospects for the Pingree project, a private forest conservation effort of unprecedented scale and novel design being launched by the New England Forestry Foundation (NEFF).

Ross, a stout, friendly bear of a man with a curly blond beard, was the group's leader and the project's visionary. He was also the only one of the four actually employed by the New England Forestry Foundation. The other three were either NEFF board members or consultants to the Pingree project. Ross' contingent was joined in the meeting by a handful of conservation-minded Kennedy School representatives, including faculty members Hank Foster and Henry Lee, as well as Jim Levitt, a Kennedy School fellow investigating the evolution of the conservation movement at the dawn of the twenty-first century. As Ross and his team delved into the description of the project, the exceptional nature of their enterprise became apparent.

What Ross and his associates described was a project that, measured in acres protected, would be more than one hundred times larger than any land deal ever consummated by NEFF in its fifty-five year history. Indeed, if successful, the effort would be the largest conservation easement project ever realized in the course of American history. Furthermore, the project, as it was described, intended to set several important precedents in the field of land conservation. First, in part because of its scale and the limited bundle of development rights being put under restriction by the easement agreement, the project was being marketed to potential donors with a remarkably modest price of \$37.10 per acre protected. Second, at the request of the Pingree family that was selling the easement to NEFF, the effort was designed to raise from non-governmental sources all or most of the \$28 million to be used to purchase the easement itself, plus several million dollars to be used to cover campaign expenses and to set up a permanent endowment for easement stewardship. Third, because NEFF was a very small and relatively entrepreneurial organization (at the time of the meeting, it had a total of six full-time employees), it planned to run the fundraising campaign, as well as design and implement a novel stewardship monitoring program, with a "virtual organization" of as many as a dozen individuals that included only one or two full-time NEFF employees at any given time — collectively, along with the participation of Pingree family interests, the group was labeled the "Pingree Forest Partnership." Finally, the whole fundraising effort had to be completed by December 31, 2000, a date less than two years away.

The meeting at the Kennedy School was cordial, lively, and wide-ranging, but there was no “Eureka!” suggestion forthcoming from the group. The meeting participants considered the idea that the project might be able to sell to a willing buyer some sort of ongoing ecosystem service, such as the forest’s ability to store carbon (an ecosystem service known among specialists as “carbon sequestration”). While Hank Foster and Henry Lee of the Kennedy School said that they would look further into such a possibility, the group realized that a domestic carbon sequestration market was unlikely to emerge anytime soon, given the political fact that the U.S. was not expected to adopt any significant policies to address global warming issues in the late 1990s. After more than two hours of exchange, the meeting adjourned.

Conversation among Kennedy School participants afterwards was colored with both hope and a fair amount of skepticism. In response to a hopeful comment by a colleague, Jim Levitt commented: “Yes, the Pingree Project would be a ‘big deal’ – literally and figuratively – *if* it gets done by the deadline. But that’s a huge ‘*if*.’ They’ve got to raise a lot of money in a very short time, and NEFF has never done anything even close to this scale, in terms dollars or in acres, in its entire history. We’ll see.”

And so we did see. Over the succeeding year and three-quarters, Ross and his team employed an inventive communications strategy and worked at an intense pace to raise pledges sufficient to cover the cost of the deal. They did so in the context of considerable controversy. A range of openly-vented critiques were directed at the project – for example, thoughtful observers argued that there were better conservation uses for the money in question, and that the easement language did not adequately represent the public’s interest. But the entrepreneurial team persevered, and the pledges were successfully raised by the deadline.

With the help of bridge financing, NEFF exercised the option to purchase the easement in December 2000, and completed the purchase of the largest private easement deal in American history the following spring. As of the middle of 2003, NEFF and its consultants are testing an inventive stewardship protocol that employs remote sensing, aerial photography, and on-the-ground inspections to carefully monitor the many provisions of the easement. The protocol, if it proves to be both cost-effective and operationally suitable, may itself set an important precedent for forestry-related organizations that are required to monitor large land areas over time.

As an innovation in the field of private lands conservation, the Pingree project ranks as an important achievement. It has already met several of the criteria identified by researchers at Harvard’s Kennedy School of Government for outstanding initiatives in the public interest.<sup>3</sup> The project demonstrates *novelty* and creativity in its conception and in several aspects of its implementation. It is of considerable *significance* to the conservation community in Northern New England and beyond, to the Maine political community, and to more than one thousand large and small donors who contributed money to get the project over the finish line. It has been measurably *effective* in raising more than \$30 million to purchase an easement restricting development on 762,192 acres of working forest. And key aspects of the project, including its scale and easement language, are *replicable* – they have, in fact,

been functionally replicated since the consummation of the Pingree deal in several recent large-scale working lands conservation efforts in places stretching from New England to the Northern Rockies. What will not be clear for several decades is whether the achievements of the Pingree Forest Partnership will be seen by future generations of conservationists and policy makers as having *enduring* relevance. Only time will tell if future generations of conservationists consider the Pingree project as a landmark conservation innovation that has left a lasting mark on the national atlas and on the history of private lands conservation.

This paper details key aspects of the Pingree effort, both offering highlights of what happened and considering important “so what” questions associated with the story. It has been prepared so as to be useful to conservationists interested in replicating aspects of the Pingree project, as well as others interested in striking out in new directions and setting new precedents.

## *2. The Pingree Family: Seven Generations of Forest Management*

The appropriate place to begin an in-depth examination of the Pingree Forest Partnership is with the Pingree family and its tradition of forest land management, a tradition that dates back some 160 years.

Born in 1795 in Rowley, Massachusetts, David Pingree spent much of his youth helping out at his father’s grist mill and saw mill near the town of Bridgton, in the southwestern part of what is now the state of Maine. Having earned a reputation for “honesty and exactness,”<sup>4</sup> Pingree returned at age eighteen to Essex County, Massachusetts, where he attended school and then became associated with the trading enterprise of his uncle, Thomas Perkins. Pingree, who came to be based in Salem, Massachusetts, gained experience and the confidence of his associates by handling cargoes bound for trading outposts around the world, from South America to Zanzibar, the East Indies, and China. When Thomas Perkins died in 1830, he left the largest part of his estate to David Pingree.

As Salem’s shipping business migrated to the burgeoning ports of Boston and New York, Pingree, like other Salem merchants, began the process of diversifying his holdings. Reportedly, Pingree resolved to be “completely out of the shipping business by the time he reached 50 years of age”<sup>5</sup> – that is, by 1845. Towards that end, he founded in 1832 the Naumkeag Bank in Salem. He opened the Naumkeag Steam Cotton Factory there in 1839, and was later to become President of the Essex Railroad and President of the Salem and Danvers Aqueduct, as well as Mayor of Salem. Despite his many associations with Salem, in his quest for diversification the “early recollections of Mr. Pingree led him at all times to give some attention to the timber lands of Maine.”<sup>6</sup>

Having gained its independence of Massachusetts by achieving statehood in 1820, Maine raised revenues by selling tracts of timberland to private interests, including syndicates of investors from Massachusetts and elsewhere. Pingree, whose acquisition of land in Maine began around 1841 when his son David, Jr. was born,<sup>7</sup> was one of the most capable

participants in the timberland market. According to his obituary, Pingree “bought largely, and so successfully, that in his opinion the lumber borne upon his lands was equal in quality and value to that on the lands of the whole state besides. Such a domain with its boundless products formed in his view an admirable foundation for the support of the dignity and permanence of a family.”<sup>8</sup>

David Pingree’s view of the future of his family was, by and large, quite accurate. Up to the present day, seven generations of David Pingree’s family have participated in the family’s remarkable history of conservative and thoughtful land ownership.

During the mid-19<sup>th</sup> century, with the work of his father being carried on by David Pingree, Jr., the family amassed holdings of more than two million acres of timberland “in-common-and-undivided” ownership with other families and corporate interests. The Pingrees began to consolidate their holdings around the turn of the twentieth century. Emerging from the process with “just less than one million acres owned outright,”<sup>9</sup> the Pingree family formed Seven Islands Land Company in 1964 to manage the timberland it controlled in Maine.

Seven Islands in turn reports today to Pingree Associates, Inc., a company headed since 1989 by Stephen Schley,<sup>10</sup> a sixth generation descendent of David Pingree. In the early twenty-first century, more than 160 years after David Pingree’s initial forestland investment, Seven Islands represents the interests of more than seventy living members<sup>11</sup> of the Pingree family.<sup>12</sup>

Schley is clearly proud of the legacy left by his great-great-great-grandfather, and is already working to train his successors. Interviewed on the radio in 2000, Schley reported: “I’m beginning the education of our seventh generation of owners... Last summer, I started that with our five-to-twelve-year-olds, bringing them in the woods, trying to educate them in terms of what we’re trying to accomplish.”<sup>13</sup> He is trying to pass onto them a dedication to the objectives written into the easement agreement with NEFF. That agreement, as Schley testified before the U.S. Senate Finance Committee in June 2001, calls on the landowners and the easement holders “to maintain the Property forever in its present and historic primarily undeveloped condition as a working forest, and to conserve and/or enhance forest and wildlife habitats, shoreline protection, and historic public recreation opportunities on the Property for present and future generations.”<sup>14</sup>

It is important to note that the Pingree family’s interest in wildlife, habitat conservation, and the sustainable economic use of the woods is not the result of a recent epiphany, but is rather part of a long-standing tradition. The family has leased its property to sporting camps for the enjoyment of hunters, fishers, and others for many decades. For example, the Pingrees have since the 1890s leased land to the operators of the Bradford Camps on Munsungan Lake, located north of Baxter State Park. Today, the Bradford Camps, now run by Igor and Karen Sikorsky, offer sportspeople and naturalists a high-quality, deep woods experience.

To cite a more recently initiated example, the Pingrees sold about 4,200 acres of land around Big Reed Pond to the Nature Conservancy in the late 1980s, thereby protecting in perpetuity most of the largest patch of old growth forest in Maine. Big Reed Pond is one of a handful of

Northern Maine habitats particularly important to the native blueback char (*Salvelinus aureolus oquassa*, which also goes by the common name of “blueback trout”<sup>15</sup>).<sup>16</sup>

Furthermore, in 1994, Seven Islands became the largest land manager in the northern hemisphere to be certified “well-managed” by Scientific Certification Systems under guidelines set out by the Forest Stewardship Council (FSC);<sup>17</sup> the same property was later certified as adhering to Sustainable Forestry Institute (SFI) guidelines. As of October 2001, the 950,000 FSC and SFI certified acres managed by Seven Islands and Pingree Associates represented the largest area of land with such dual certification in the state of Maine.<sup>18</sup>

At the same time that the Pingrees have developed a creditable reputation as responsible stewards of the working forest, they have looked to make a modest economic return from their forestland assets. In Congressional testimony, Schley estimated that “we have managed to eke out a 2.5% return on our timberland investment over the last fifty years, on average.”<sup>19</sup> As they entered the 1990s, the family, as explained by Tim Ingraham, the youngest member of the fifth generation of the Pingree family, “wanted to both respect conservation values and go ahead with its business.”<sup>20</sup>

### *3. The New England Forestry Foundation and Private Forest Conservation*

The strategy followed by David Pingree and his heirs – to buy, hold, and manage timberland for the benefit of multiple generations – is not the strategy followed by many of David’s contemporaries who owned forested land in nineteenth century New England.

As illustrated by a meticulously detailed series of dioramas on display at the Harvard Forest in Petersham, Massachusetts, by the 1830s, “across much of New England (except Northern Maine and mountainous areas), 60 to 80 percent of the land had been cleared for pasture, tillage, orchards, and buildings.”<sup>21</sup> Subsequently, with the opening of new agricultural lands in the West, and with increasingly long-distance agricultural trade facilitated by new canals and railways, New England farms began a steady decline. By the late 1800s, significant numbers of New England farmers had abandoned their property, leaving fields and pastures to “go to seed.” Many of those abandoned acres sprouted stands of white pine that, by the turn of the twentieth century, grew to be quite valuable: a farmer with a 100-acre woodlot might be able to sell off 25,000 to 50,000 board feet of lumber per acre, valued at about \$10 per 1,000 board feet, for as much as \$30,000, a very considerable sum at that time.<sup>22</sup> In the decades before and after the turn of the century, a second round of cutting ensued.

As explained in a brief history of the New England Forestry Foundation, “in 1907 production of lumber in New England reached its peak in [the twentieth century] with a cut of nearly three billion board feet. Many stands were depleted and many of the high quality trees that did remain were devastated by the great hurricane of 1938. By the end of World War II much of New England was reforested.<sup>23</sup> A history of uncontrolled commercial clearcutting, in which all high quality, merchantable stems were removed, often left behind a forest of poor quality or diseased trees.”<sup>24</sup>

While the federal and state governments had made significant progress in the period between 1890 and 1940 in establishing public forestry reserves where more progressive forestry practices could be implemented, there was considerable concern in the 1930s and 1940s that not enough was being done to help small private landowners take proper care of their woods. Harris Reynolds, a devoted conservationist active as an officer of the Massachusetts Forests and Parks Association, felt strongly something needed to be done to improve the state of private forestry in New England, to avoid yet another round of disruptive resource exploitation.<sup>25</sup> With a handful of colleagues, he founded the New England Forestry Foundation in 1944 to fill that need. The organization, the first non-profit of its kind in the nation, was soon fielding professional “consulting foresters” that served landowners with “a complete service... from a timber cruise survey of the land to the final harvest of trees.” In an era when there were few consulting foresters from the private sector that were serving small forestland owners, NEFF’s foresters were fielded to serve “a charitable mission, as teachers to the landowners.”<sup>26</sup> The idea caught on, and by 1946 NEFF “was managing twenty properties, averaging 150 acres each,” or about 3,000 acres.

During its first half-century, the organization grew at a steady pace. In addition to providing consulting forestry advice, NEFF accumulated a portfolio of Foundation Forests that it owned outright. Such Foundation Forests, often given to NEFF in memory of a loved one who had passed away, were acquired with painstaking, patient effort by the organization’s Executive Directors, officers, and members of the board of directors. For example, John Hemenway, the organization’s Executive Director from 1953 to 1982, worked for decades with various potential donors regarding donations to the foundation of woodlots and forests of tens or hundreds of acres.<sup>27</sup>

By 1994, the year of its fiftieth anniversary, NEFF owned some 97 Foundation Forests, ranging in size from seven acres to 1,000 acres – an area that collectively covered 16,246 acres of forestland. In addition, NEFF held in 1994 conservation easements that restrict development on about 2,216 acres of privately-owned property.<sup>28</sup> NEFF’s 18,462 acres owned or under easement represented a relatively large portfolio for a New England conservation organization at the time; both the Massachusetts Audubon Society (also known as Mass Audubon) and The Trustees of Reservations held acreage of the same order of magnitude in the mid-1990s.<sup>29</sup> However, by its fiftieth anniversary, significant changes were already brewing in the management, goals, and objectives of NEFF.

A shift in the organization’s strategic direction began to be considered in the late 1980s, when about 80% of the organization’s revenues were associated with forestry consulting operations. NEFF had more than a dozen professional foresters on staff that were, by that time, competing for business with forestry consultants who were either self-employed or worked in for-profit organizations. Furthermore, in the context of rapidly changing land ownership patterns in the Northern New England forest, NEFF was not in the forefront of regional land protection efforts. Soon after he became President of NEFF’s Board of Directors in 1991, William A. (“Bill”) King assembled a committee to review the foundation’s strategic direction.

The strategic planning committee, composed of five board members and five outsiders, “went on the road” to try to get a better understanding of how NEFF was being perceived in New England. They listened to the opinions of a wide variety of individuals active in the fields of forestry, conservation, and environmental protection. What they heard was not encouraging. Said politely, respondents confirmed the committee’s sense that NEFF was not acting as a leader in the fields of conservation and environmental responsibility. Furthermore, NEFF was seen as having reached a point in its evolution where, if it was to fulfill its potential, fresh leadership was needed. The committee, after a year of hearings and meetings, recommended a dramatic shift in focus.

By 1994, the Board followed through on the committee’s recommendations that the consulting forestry operations be spun off into a wholly-owned subsidiary of the Foundation, to be called NEFFCo (New England Forestry Consultants, Inc.) and operated as a for-profit business corporation. In the same year, Hugh Putnam, NEFF’s Executive Director since 1986, left NEFF and became a private consultant. In part to locate near several of its Foundation Forests, the organization moved from Kendall Square in Cambridge to Groton, Massachusetts, a bucolic town west of Interstate 495. And, by the spring of 1995, Bill King stepped in to help manage day-to-day operations. As King describes it, “NEFF had to face reality. The consulting forestry operations had been spun off, and the organization had to expand its donor base. We needed to offer a new emphasis: first, the protection of forest lands; and second, the development of new methods for encouraging long-term forestland stewardship.”<sup>30</sup>

#### *4. Keith Ross as Conservation Entrepreneur*

Among the individuals who interacted with the NEFF strategic planning committee organized by Bill King in 1992, several individuals stood out from the crowd. Perhaps the most outstanding was Keith Ross. In a session organized for the planning committee by David Kittredge, the Massachusetts State Extension Forester, Ross made a particularly strong and favorable impression. Bill King recalls that, as Ross kept coming up with new ideas about how NEFF could serve the private forestry community, there was “an electricity” in the room.<sup>31</sup> Within the course of several months, Ross would be invited by the Board to become much more deeply involved in the life of the organization.

Ross, who grew up in Broken Arrow, Oklahoma, graduated from high school in 1971. He attended several colleges in Oklahoma and Massachusetts before graduating from the University of Massachusetts in Amherst in 1977. In 1978, Ross and Charlie Thompson, one of his UMass classmates,<sup>32</sup> combined their businesses to form a forest management consulting firm called Atlantic Forestry. With an interest in bolstering his skills as an expert witness, Ross went on in the early 1980s to get a Master of Studies in Environmental Law degree at the Vermont Law School in South Royalston, Vermont. At the Vermont Law School, Ross took a course on “Ecology for Lawyers” from Frank Reed, who became a close friend.

Both Thompson and Reed stayed in touch with Ross as he got involved in the emerging land trust movement in the mid-1980s. Ross secured an internship in 1984 with the Ottaquechee Land Trust, an organization (now known as the Vermont Land Trust) that helped to pioneer the practice of establishing conservation easements on privately-held land. With a fundamental understanding of how land trusts negotiated, managed, and monitored conservation easements, Ross, with advice from subject experts such as Peter Stein then working at the Trust for Public Land, helped to found the Mount Grace Land Conservation Trust in Central Massachusetts in 1986. Ross was instrumental in acquiring for Mount Grace its first easement on the Bullard Farm property in North New Salem, Massachusetts. Working with two generations of the Bullard family, Ross persevered until the deal was completed in 1989. As Janet Kraft, a member of the Bullard family reports, “Keith was very creative and very persistent. If there was something to be done, he did it. He was flying on a shoestring. There were times when we thought that the project would never get done, but he kept the faith and saw it through.”<sup>33</sup> In addition, Ross and Mt. Grace were instrumental in saving from development the Lawton Tree Farm, a popular site in Athol, Massachusetts. The deal marked the first time that town-owned land had been designated for preferred treatment under Massachusetts “Chapter 61” regulations. In effect, Keith Ross was gaining a local reputation as a conservation entrepreneur, a young man who saw ways to get things done that others could not see.

Shortly after beginning his work at Mount Grace, Ross was approached by Tim Storrow of the Massachusetts Audubon Society about doing land protection work for Mass Audubon in the western half of the state. Ross took a half-time position with Mass Audubon, a job which he held from 1986 until 1994. Benefiting from contact with more experienced conservation professionals such as Storrow and Jerry Bertrand (Mass Audubon’s President), Ross learned how to “organize a big project”<sup>34</sup> and to work with wealthy individuals and foundations that could make large charitable contributions to pending land conservation efforts.

Having worked with several land conservation organizations, Ross became aware that each group pursued distinctive purposes which in turn attracted certain types of members, volunteers, and donors – that is, each land conservation group had a somewhat distinctive market niche. Groups like Mass Audubon were (and are) particularly focused on saving key pieces of wildlife habitat; Ottaquechee Land Trust got its start protecting landscapes with particularly strong scenic values; and other groups, such as the American Farmland Trust, are dedicated to saving key portions of the nation’s agricultural land base. What Ross told the New England Forestry Foundation strategic planning committee was that very few land conservation organizations in the Northeast were effectively dedicated to protecting the working forest – forestland that helps to sustain local forestry and wood-processing industries as well providing ecosystem services (e.g., watershed protection) and recreational amenities (e.g., a place where people could watch birds, hunt, fish, and hike). Ross imagined that, after spinning off its consulting forestry operations,<sup>35</sup> NEFF could focus on protecting the working forest through growing its portfolio of fee owned land and acquiring conservation easements on significant parcels of forestland. He encouraged the strategic planning committee to consider such a future seriously for their organization.



Remembering the strong impression that Ross had made on the strategic planning group in 1992, Bill King and the NEFF Board's Vice President, G. Montgomery (Monty) Lovejoy III asked Ross to become a NEFF board member in 1993. Ross accepted the invitation and was soon an active participant in Board discussions and deliberations. By February 1994, Ross and King were actively discussing the possibility of Ross' working for NEFF.<sup>36</sup> They agreed on a plan forwarded by Ross, and by March 1, 1994, Ross was hired as NEFF Vice President for Land Protection. His involvement in land protection efforts at NEFF continued for more than nine years.

## *5. The Political and Economic Context*

To understand the political and economic context in which the Pingree project emerged, it is necessary to go back to 1986. In that year a major tax reform bill was passed with bi-partisan support in Congress and was signed by President Ronald Reagan. The Tax Reform Act of 1986, by changing capital gains rates and depreciation rules applicable to corporate real estate, resulted in dramatic shifts in corporate real estate strategies. Corporations that had held large tracts of land, in part to benefit from associated tax breaks, re-evaluated their positions. Diamond International, a company that held substantial acreages of land in Maine, New Hampshire, Vermont, and the state of New York, decided to retain real estate brokerage professionals to "assist in the disposition of timberlands no longer essential to their core business."<sup>37</sup>

Diamond International put nearly one million acres of forestland on the market. By 1988, some 790,000 acres in Maine had been sold, "principally to conservation and forest management interests."<sup>38</sup> Of the 200,000 acres of forestland sold in New York, Vermont, and New Hampshire, about half went to state governments and conservation organizations, with the other half going to a variety of purposes, including real estate development for exurban and second-home markets. The experience of seeing such large blocks of the 26 million acre Northern Forest for sale on the open market effectively served as a loud wake-up call to non-profit organizations' managers, private investors and timberland managers, policymakers and researchers concerned with the economy, culture, and natural resources of the region. In October 1988, Senators Warren Rudman of New Hampshire and Patrick Leahy of Vermont wrote a letter to the Chief of the U.S. Forest Service that resulted in a two-year Forest Service study of the situation. That study led in 1990 to the establishment, by the U.S. Congress, of a Northern Forest Lands Council (the NFLC). After four years of public hearings, research, and deliberations, the NFLC made a series of recommendations to members of the U.S. Congress and the Governors of New York, Vermont, New Hampshire, and Maine. In the cover letter to their final report, the seventeen member Council, which included a diverse group of representatives of each of the four states, offered a common viewpoint regarding the region.

Our recommendations are rooted in and advance a broadly shared vision of the Northern Forest. We see a region where residents and visitors alike benefit from extensive forests rich in natural resources and natural values. The forest of our vision

provides a sound foundation for a diversified economy and stable communities, opportunities for quality recreation, and long-term protection of the diversity of plant and animal species residing here.<sup>39</sup>

In the same year that the Northern Forest Lands Council was formed by Congress, a coalition of non-profit groups interested in conserving the Northern Forest banded together to form the Northern Forest Alliance (the NFA). A 1995 brochure published by the NFA offers a brief history of the group's first five years.

In 1990 regional, state and national conservation organizations united as the Northern Forest Alliance. We speak for hundreds of thousands of our members across the Northern Forest and the nation. We have also listened and learned from many others who care about this region. Now that the NFLC has completed its work, it's up to all of us to work together toward a brighter future.<sup>40</sup>

As of January 1995, the twenty-six member organizations of the NFA represented a broad spectrum of conservation viewpoints. The list included: organizations like the Vermont Land Trust that emphasizes the use of conservation easements to advance conservation practices on private land; moderate, mainstream groups such as the National Wildlife Federation and the Appalachian Mountain Club that support conservation efforts on both private and public land; and relatively outspoken organizations such as *Restore: The North Woods*, a group which advocates for far greater public control of the Northern Forest, calling, for example, for the establishment of a 3.2 million acre Maine Woods National Park that would encompass “an area larger than Yellowstone and Yosemite combined.”<sup>41</sup> The debate among NFA members who alternatively emphasized private conservation, a mix of public and private action, or large public land acquisitions was, throughout the mid-1990s, vigorous, sometimes heated, and ongoing.

During 1995, NEFF applied for and was admitted as a member of the NFA. Even within NEFF, differences of opinion arose regarding the value of participation in Northern Forest Alliance activities. In 1996, NEFCo foresters, still involved with the Foundation, formally requested that NEFF resign from the Alliance. They argued that the NFA was too closely aligned with forces unsympathetic to the needs of working forests. In a letter to the *Northern Logger*, NEFF's President Bill King explained that, after critical examination of the NEFCo foresters' request, the NEFF board had decided to retain membership in the NFA. As an Alliance member, NEFF would remain actively committed to promoting: multiple-use forest stewardship for timber harvesting, recreation (including hunting, fishing, and snowmobiling) and other uses compatible with forest ecology and a healthy forest-related economy; primarily private ownership of New England's productive forests; and strong, mutually-respectful relationships between the Alliance and the commercial forestry community. King explained how he hoped NEFF's presence in NFA deliberations could be constructive: “We prefer to be part of the process rather than stand at the sidelines as a passive observer, particularly now when the Alliance is turning its attention to sustainable forestry.”<sup>42</sup>

In fact, during the same era that the Northern Forest emerged as an issue of public concern in the northeastern United States, international attention was turning to the issue of sustainable

development in general, and sustainable forestry in particular. In 1990, a group of “timber users, traders, and representatives of environmental and human-rights organizations met in California ... to discuss how they could combine their interests in improving forest conservation and reducing deforestation. Their meeting confirmed the need for an honest and credible system for identifying well-managed forests as acceptable sources of forest products.”<sup>43</sup> It was in the context of such discussions that the idea of a Forest Stewardship Council (the FSC) was conceived.

The FSC concept gained momentum among potential philanthropic sponsors and several national governments that participated in the United Nations Conference on Sustainable Development held in Rio de Janeiro in 1992. By September 1993, a meeting of 130 representatives from the developing and developed world met in Toronto, Canada to hold the FSC’s Founding Assembly. As the Founding Assembly convened, a number of FSC-associated certification efforts were already underway. Notably, an effort was being undertaken by Scientific Certification Systems, Inc. (SCS) regarding 975,000 acres owned and managed by the Pingree family in Maine. That effort would lead to the designation of the largest parcel of land in the Northern Hemisphere to receive FSC certification.<sup>44</sup>

The Pingree lands were rated by SCS in 1993 with scores of 72 (out of a possible 100) on timber resource sustainability, 75 on forest ecosystem maintenance and 88 on socio-economic benefits. While the Pingree scores were, for example, lower than those assigned by SCS to the operations of Collins Pine in California (which received scores of 86, 81 and 89, respectively), the SCS review team concluded that “the Pingree lands are being managed in a manner consistent with the principles of sustainable forestry and that SCS certification as ‘well-managed’ was an appropriate and justified recognition.”<sup>45</sup>

Word of the Pingree certification by SCS spread quickly, not only among FSC organizers, but also among individuals active in forestry in New England. For example, Wil Merck, a member of the NEFF board since the mid-1980s, reports that a senior member of the Pingree family spoke to him enthusiastically about the certification process at a gathering for NEFF supporters in the early 1990s. The fact that the Pingrees had sought and been granted FSC certification would later prove to play an important role in the NEFF effort to acquire a conservation easement on Pingree forestland.

It is important to note that, since the initial 1993 certification, Pingree Associates and Seven Islands have continued to work with SCS and FSC representatives. To keep its certification current, Seven Island requested in 1998 that SCS conduct a 5 year re-evaluation of forestry operations on its 975,000 acre Maine holdings (that is, on land included in the proposed NEFF easement, as well as on land not subject to the easement). The re-evaluation was conducted in 1999. Re-certification, awarded in June 2000, was issued with a very favorable report, ranking Seven Island at 94 for timber resource sustainability, 91 for forest ecosystem maintenance, and 96 for financial and socio-economic considerations. Subsequent annual audits conducted in 2000, 2001, and 2002 have confirmed that the management of the Pingree lands continues to “comply with the FSC’s Principles and Criteria and can remain designated as certified, well-managed forests, subject to ongoing, periodic audits by SCS.”<sup>46</sup>

## 6. Getting the Deal Done

### 6.1 The Genesis of an Idea

Tim Ingraham, who as noted above is the youngest member of the Pingree family's fifth generation, is a devoted outdoorsman who loves to spend time working in the woods. He has his own woodlot in Topsfield, Massachusetts, which he has been managing, both physically and fiscally, since the early 1970s. Ingraham first became acquainted with NEFF in the late 1970s, when land prices in Topsfield were skyrocketing and the property taxes on his woodlot likewise shot up. He asked a cousin for help in figuring out how to wisely manage his woodlot and his tax situation, and was referred to NEFF.

A NEFF forester advised Ingraham to learn more about registration in the Massachusetts "Chapter 61" program which offers favorable tax treatment<sup>47</sup> to forestland owners who agree to keep their land undeveloped and managed according to a long-term strategy.<sup>48</sup> Ingraham did enter his land into the Chapter 61 program, and has ever since been a steadfast friend of NEFF. In late 1994, as NEFF was undergoing the substantial transition described above, Ingraham was invited to join the organization's board of directors. He did so with pleasure.

As a member of NEFF's board, Ingraham listened with great interest in 1994 and 1995 as Keith Ross, the organization's new Vice President of Land Conservation, spoke of the opportunity NEFF had to do large land conservation deals in a new and distinctive way. Ross explained that, if NEFF was willing to let forest land owners play a central role in crafting reasonable, manageable easement language, all sorts of novel and highly significant projects could be realized. Ross knew from his experience in the land conservation field that many other conservation organizations, with missions oriented towards such aims as protecting wildlife habitat or scenic landscapes, were relatively inflexible regarding acceptable easement language that would accommodate the needs of working forestland owners. In Ross' terms, such organizations worked with an attitude of "if you don't do it our way, forget it."<sup>49</sup> Ross saw that NEFF, by being much more flexible and open to landowner ideas, had a chance to change the way that working forestland conservation was done in the United States.

Ingraham knew that his own family's forestland – what came to be known as the Pingree Forest – faced mounting development pressures in the 1990s. While the Pingrees saw forestry operations as the pre-eminent land use for the acreage, they were increasingly being approached by individuals who were seeking to buy remote "kingdom" lots as family retreats (e.g., large 1,000 to 10,000 acre pieces of land), as well as more modest waterfront parcels for second home "camps." Ingraham also knew that, unless the potential for the land to be developed were somehow restricted, the possibility loomed that the Internal Revenue Service might try to have the economic value of the land assessed at its so-called "highest and best use" level. That is, in an estate proceeding, the IRS might argue that the land should really be taxed in its passage from one generation to the next as if it were about to be sold for primary residential or second-home development, even if the Pingrees never intended to sell

it off for such purposes. If such a scenario came to pass, the family might be forced to sell off large parcels of the land simply to cover estate tax payments.

Ingraham was likewise aware that his cousin, Steve Schley, in his capacity as managing director of Pingree Associates, was being approached in the early and mid-1990s by a wide variety of both public and non-profit organizations about a range of possible conservation deals. Ideas and project proponents were “coming out of the woodwork” regarding possible deals to offer piecemeal protection of bear habitat, heron rookeries, and deer yards. Others were approaching Schley about plans to protect “ribbons” of landscape adjacent to many of the Pingree forest’s breathtakingly beautiful streams, lakes and ponds.

Schley had backed away from such proposals in the early 1990s for several reasons. The operational regulations being proposed by several prominent land conservation organizations were likely, in his opinion, to “diminish management flexibility” regarding forestry practice.<sup>50</sup> Schley assessed typical easement language proposed by such organizations as being relatively strict and specific about allowed forestry practice, often requiring sign-off by the potential easement holder (typically a state government or non-profit conservation organization) prior to the implementation of any significant forestry operation. In Schley’s view, such rules, over the course of time, might have prevented Pingree Associates from adopting new technologies and techniques, and from operating a profitable, environmentally responsible forestry business. In a similar vein, Schley and other Pingree family members expressed concern about the restrictions that might be associated with money coming from a public sector organization. If they were to consider development restrictions on the Pingree land, they strongly preferred not to have a complex set of strings attached from state and federal government easement holders.

Schley and his family were also concerned that the piecemeal approach offered in many of the proposals he saw in the early 1990s would lead to fragmented forest management practices. In particular, the practice of selling off conservation easements on so-called “beauty strips” along waterfronts, leaving the interior sections of the forest to be managed according to a variety of other operating protocols, was problematic. Schley expressed his concern that if Pingree Associates were to enter into many such deals, overall management of the Pingree forestland might become an enormously complex challenge.

In short, Schley, his family, and his professional associates working for Seven Islands were open to suggestions regarding development restrictions on the Pingree forestland, but they were firm regarding the need for wide-ranging, flexible solutions. It is in this context that Tim Ingraham suggested that Schley and Brad Wellman (Schley’s predecessor as the lead family member at Pingree Associates) meet with Keith Ross and Bill King of the New England Forestry Foundation to consider Ross’ and King’s ideas about conservation easements on working forests. While not knowing exactly what Ross might propose, Ingraham was confident that Ross’ approach would be both innovative and flexible.

Schley and Wellman agreed to meet with Ross and King in March 1996. Having made the initial introduction, Ingraham generally refrained at NEFF Board Meetings over the next two and one-half years from offering detailed comments regarding the progress of any negotiations between NEFF and Pingree Associates. In early 1998, once NEFF signed an option to acquire a conservation easement from Pingree interests, Ingraham resigned from the NEFF Board so that the project could be conducted at arm's length. Still an enthusiastic supporter of NEFF, Ingraham only rejoined the Board several years later, after the Pingree deal had been completed.

What Ross and King impressed on Schley and Wellman at their early meetings was that NEFF was willing to listen to and work with the Pingree interests in a particularly collaborative fashion to come up with easement language and a deal structure that worked well for all parties involved.

## ***6.2 Easement Negotiations and Appraisal***

By early April 1996, Ross, working with Stephen J. Small, a Boston-based attorney with extensive experience in crafting conservation easements, had prepared a first draft of the Pingree easement. He sent it to Schley with the understanding that it was only a starting point, and that both sides might have changes to propose. His understanding was entirely correct. In fact, negotiations continued into 1997 and 1998 before an easement was settled on by both sides. Throughout the process, Schley was particularly careful about wording used in the various drafts, making sure that there were a minimum of vague terms – as he calls them, “weasel words” – that might be misconstrued by readers looking at the documents decades in the future.

From this early stage, Ross kept the NEFF Board of Directors informed of his discussions with the Pingree family. As early as June 1996, Ross imagined that the project might cover as many as 800,000 acres and require tens of millions of dollars in funding, primarily from non-governmental sources. At least initially, some members of the Board were skeptical about the project's practicality, given its potential size and cost, reminding Ross that at this scale, the potential Pingree deal would be many times larger, in both acres and dollars, than anything that NEFF had ever before even contemplated. Other directors, including members of the land subcommittee who met with Ross on a relatively frequent basis, were considerably more supportive of the vision that he offered, saying that NEFF's recent reorganization was in part launched so that bold new initiatives could be pursued.<sup>51</sup> In the end, the Board went along with the staff recommendation that a small fund which Ross had helped to create called the Forest Conservation Leverage Fund (the FCLF, funded with support from three foundations in December 1995) be used in part to support Ross' work and hire key consultants such as Steve Small to advance negotiations regarding a potential easement on the Pingree property.

After about a year of discussions, Steve Schley began to have a “strong level of comfort” about the proposed deal. He felt, based on his extensive discussions with Ross and Steve

Small, that he had a good idea of what the deal “would not look like.” For example, he had become reasonably familiar with relevant federal and state regulations and recent rulings regarding conservation easements. He felt increasingly assured that the easement being negotiated with NEFF, which would not require Pingree to get pre-approval from NEFF on its specific forest management plans, but rather would specify Pingree adherence to a set of forest management “guidelines,” would stand the test of time. With his growing confidence in the deal structure, he visited with a group of Pingree family members, known as the Family Board of Directors (informally called the FBD), to recommend that Pingree Associates move ahead with deal negotiations and an eventual appraisal of the value of the easement. With considerable enthusiasm for the idea from several senior family members, the FBD lent support to Schley’s efforts to advance the negotiations. In particular, the FBD encouraged Schley to specify which lands would be covered by the easement agreement.

The several month process of figuring out which lands would be “in or out” of the deal was, according to Schley, “pretty straightforward.”<sup>52</sup> To begin with, Schley appreciated the fact that NEFF and Ross had a strong interest in protecting the working forest, with all of its conservation values, from development. They were therefore interested not only in scenic lakes and riverfront property, but also in upland forests that stretched across entire townships.

Schley was also mindful that of the nearly one million acres controlled by the family, some acreage had an existing pattern of use that potentially suited them for additional infrastructure development to accommodate visitors and limited development for tourism and related activities in the future. Many of such acres had been or might in the future be considered as being “potentially suitable for development” by Maine’s Land Use Regulatory Commission (LURC),<sup>53</sup> the state body responsible for land use permitting activities with the state’s vast unincorporated areas. Most of that land was not likely to be included in the easement deal. In short, given NEFF’s interest in protecting the working forest as well as historic regional land use patterns, Schley was able to fairly quickly designate and discuss with his family members the checkerboard of lands that Pingree Associates would put on the table for inclusion in the proposed easement.

The lands which Schley and his associates designated for inclusion in the proposed easement deal are remarkable both in scale and scope. The more than 754,000 acres included in the proposed deal in the 1997-1998 period encompassed some 2,000 miles of river frontage, 110 remote lakes and ponds over three acres in size, 215 miles of lake and pond frontage, 67 sites listed by the State of Maine as providing habitat for rare and endangered plants, five federally listed endangered plant sites, five active bald eagle sites, 24,800 acres of managed deer yards, and several “Class A” trout streams.<sup>54</sup>

It was not until March 1998 that Ross and Schley felt that the easement negotiation process had advanced sufficiently to allow NEFF to consider hiring several independent professionals who could identify the value of the prospective conservation easement. As negotiated, the prospective easement language at that point already included principal concepts that were adopted in the final easement language, and which were quite important to the appraisal process. These concepts are briefly described below.

- The easement protects the property, in part, through forever restricting development rights; restrictions include, among others, restrictions of subdivision rights, restrictions on rights to build certain new structures and improvements on the property, and restrictions on rights to mine for gravel.
- While one of the purposes of the easement is to conserve or enhance the property for historic recreational uses, among other uses, the easement does not impose on the landowner any public access obligations.
- Forestry activities on the property are to be conducted in accordance with applicable laws, forestry guidelines appended to the easement agreement, and a written plan prepared by a professional forester. While all plans must be shared with the easement holder, there is no requirement that the plans be pre-approved by NEFF or its possible successors.<sup>55</sup>

The easement structure drafted by Ross, Schley, and their associates was somewhat different from easements being negotiated on other parcels of Maine forestland at the time. Consider, for example, the easement negotiated beginning in June of 1997 between the Robbins family of Searsmont, Maine, owners of the Robbins Lumber Company, and the Forest Society of Maine (FSM), represented by Alan Hutchinson. That Nicatous easement agreement covers some 20,000 acres of land that the Robbins' had purchased in the 1990s for forestry purposes around Nicatous Lake, a site in Hancock County, Maine, about fifty miles north of Bar Harbor and about an hour's drive from Bangor. The agreement, crafted by Hutchinson with help from the Maine Coast Heritage Trust and the Trust for Public Land, calls for the easement to be held by the State of Maine and monitored by the FSM. It covers a landscape with features comparable in scope, if not in scale, with those offered by the Pingree lands: extensive wildlife habitat, thirty-four miles of shoreline, seven remote ponds, three bald eagle nesting sites, and excellent outdoor recreation opportunities.

Like the Pingree easement being contemplated, the Nicatous Lake easement provides for specific restrictions on the subdivision and the development of new structures and improvements on the property. Also like the Pingree easement, the Nicatous easement being drafted provides for ongoing forestry operations on the landscape by Robbins interests and their lessees. And the Nicatous easement, like the Pingree easement, calls for multi-tiered monitoring of the landscape by a non-profit organization.<sup>56</sup>

However, unlike the Pingree easement, the Nicatous easement requires that forestry practices on the property follow certain specific controls and restrictions (as opposed to requiring that they follow more general "forestry guidelines"). For example, the Nicatous easement requires that 12% of the property be maintained to provide winter cover habitat for deer. Also unlike the Pingree easement, the Nicatous easement includes an affirmative requirement that the landowner allow pedestrian recreational uses on the property such as hunting, fishing and hiking. It furthermore gives the State of Maine the right to maintain a number of public hiking, camping and picnic sites on the land.



While the easement language drafted by NEFF and Pingree Associates is distinctive, none of the basic concepts underlying the proposed Pingree deal is without precedent in other, pre-existing easement agreements. For example, the easement acquired by a Maine arm of the Society for the Protection of New Hampshire Forests in 1984 on forestland in Attean Township, Maine (later transferred to the newly created Forest Society of Maine in the mid-1990s) includes provisions allowing for timber harvesting on the 22,000 acre parcel, with development restrictions on new buildings and improvements, airstrip development and mining. While the easement reportedly requires several specific management practices, largely intended to limit the visual impact of forestry practices on the site, there is no requirement that forestry management plans be pre-approved by the easement holder.<sup>57</sup> In a similar fashion, smaller easements held by land trusts across the United States that limit development activities on agricultural land, rangeland, and forestland do not necessarily mandate specific land management practices.<sup>58</sup>

Similarly, there are many examples of easement agreements between non-profit land trusts (for example, the California Rangeland Trust<sup>59</sup>) and private land owners who are practicing agriculture, ranching or forestry on their land that include no provisions for public access. Even publicly-funded agencies such as the Maryland Environmental Trust finance agricultural easements that need not have specific provisions for public access.<sup>60</sup>

All of these issues had to be considered by the appraiser responsible for identifying the dollar value of the easement to be sold by the Pingree interests to NEFF. To conduct the appraisal itself, NEFF ended up hiring LandVest, a well-respected, New England-based firm that bills itself as having “broad expertise in planning, appraisal, marketing and timberland management,” a set of complementary services geared towards “helping landowners make informed decisions.”<sup>61</sup> At the same time that it hired LandVest, NEFF hired Clarion Associates of Chicago to provide a review appraisal. The purpose of the review appraisal was to consider the processes used by LandVest to arrive at its appraisal value, so as to give potential project funders assurance that the valuation was derived in an appropriate fashion, and as accurately as possible.

LandVest and Clarion were meticulous in their methods. The appraisal, which had initially been projected to take several months and be completed over the summer of 1998, actually took nearly half a year to complete. The results of the effort were highly significant. In part because the Pingree interests were considering, through the proposed easement, the sale of only a limited set of development rights, were not signing on to any legal obligations regarding public access or pre-approval of forestry management plans, and had a relatively high ratio of backland to shorefront, the per-acre value of the easement came in substantially lower than the appraised value of easements being negotiated elsewhere. LandVest concluded, and Clarion confirmed, that the appraised value for the proposed easement on 754,673 acres of Pingree forestland be set at \$28,000,000. That averages out to a value of \$37.10 per acre. It is important to note that the \$28,000,000 figure was not considered to be a “bargain sale;” rather, it reflects the full value of the easement being considered.

The \$37.10 per acre figure was a notably low price compared to other forestland easement and fee acquisition deals consummated in the 1998-2000 period. For example, compare that figure with: the approximately \$187.50 per acre that would be raised to purchase the Nicasious easement (a site that had a particularly high ratio of valuable shorefront to total acres);<sup>62</sup> the \$189 per acre paid by the Nature Conservancy for the fee acquisition of 185,000 acres of land along the headwaters of the St. John River in Maine; and the \$256 per acre paid by the Conservation Fund and the Forestland Group for the fee acquisition of 296,000 acres in New York, Vermont and Maine from Champion International.<sup>63</sup> The comparatively low price-per-acre associated with the Pingree project was one that NEFF would repeatedly emphasize in the marketing campaign it would soon launch, using copy such as the following:

Recently, conservation easements over New England forestlands have sold for prices as low as \$90 per acre to over \$200 dollars per acre. At \$37.10 per acre [the Pingree] easement is an excellent value for one's conservation investment, and represents a fraction of the cost of fee ownership.<sup>64</sup>

By December 1997, the appraisal had been submitted and a complete draft of the easement language was ready. Keith Ross was ready to bring to his board for approval an option agreement which would give NEFF two years to complete a fundraising campaign for the more than \$28 million required to close the deal (that is, the \$28 million, plus several million to cover fundraising expenses and establish an endowment for monitoring the easement). Remarkably, word of the pending deal had not spread out to the broader conservation community.<sup>65</sup> Even some members of the NEFF Board were surprised when news reached them that an option was in the final stages of negotiation.

At this late date, Steve Schley faxed to Keith Ross a message asking if the option period could be substantially shortened. Ross responded that he would have to have two years to raise such a large sum, and assured Schley that NEFF had every incentive to follow through with the effort, given the high level of up-front expense it had already incurred to get to the option-signing stage. Ultimately, Schley and his family agreed to the two-year term, and an option was executed in late December 1998 giving NEFF until December 31, 2000 to raise and deliver the easement purchase fee to the Pingree interests. Ross was acutely aware at that point that, while an intensive period of work to get to the option signing stage was complete, a much larger effort faced him in the upcoming twenty-four months.

### ***6.3 Initial Campaign Organization and Communications***

As the easement and option negotiation process was heading towards completion, Ross began thinking through how to organize a fundraising effort that would dwarf any comparable effort that NEFF had undertaken to date. One of his first attempts to organize a Pingree fundraising team involved reconnecting with Frank Reed, the Vermont-based consultant who had been his friend and instructor at the Vermont Law Center in the early 1980s. Reed and Ross had talked earlier in 1998 about doing “conservation on a grand

scale.” Now, later in 1998, Ross had a live project on his hands. After explaining the concept in some detail, Ross asked Reed, “Can this Pingree deal be done?” “Absolutely,” Reed replied, “this is a Michael Jordan of a deal!”<sup>66</sup>

Given Reed’s enthusiasm for the proposed project, as well as his technical knowledge of both forestry and proposal preparation, NEFF hired Reed as a consultant to the project. Reed’s role, beginning in early 1999, was to serve as the project’s coordinator. While he did not prepare any proposals directly, Reed quickly took on the responsibility of reviewing nearly “all the paper” related to Pingree that was headed out under NEFF’s letterhead in the form of an appeal to an individual or grant application to a foundation.<sup>67</sup>

Soon after hiring Reed, Ross, with continued support and advice from Bill King, began to put together the rest of the “virtual team” of consultants that he would use to raise the necessary funds. Peter Stein, a partner at the Lyme Timber Company (LTC) which oversees LTC’s Conservation Advisory Services, was brought in during January 1999 to offer general advice regarding the project, help organize approaches to large foundations, and think through how to give the project a stronger on-the-ground presence in the State of Maine. Stein, who has several decades of experience in land conservation at the Trust for Public Land and at LTC, was quick to advise Ross to also seek the consulting assistance of several other land conservation specialists. The list included: Eliza Cope Nolan, a real estate attorney specializing in land conservation transactions at Bernstein, Shur, Sawyer & Nelson, a law firm in Portland, Maine; and Elizabeth Swain, a former Chair of the Maine Land Use Regulatory Commission who had become a Partner at the Portland, Maine-based firm of Barton & Gingold, where she advised clients on governmental affairs and community relations. Stein later helped to recruit to the project Ann Fowler Wallace, an experienced consultant, philanthropic advisor and grant writer based in Boston.

Prior to the Pingree initiative, NEFF had engaged the firm of Hiller Associates, Inc., to assist in expanding NEFF’s profile, outreach and fundraising capabilities. Duffy Brent, the Hiller Associates Executive Vice President responsible for the NEFF account, had learned about the Pingree deal in 1998, but because of the Pingree family’s request for complete confidentiality, was unable to move forward with the suggestion that a fundraising feasibility study be done in preparation for such a large effort. As the assembly of the Pingree campaign virtual team proceeded in the first three months of 1999, Ross and Reed called a meeting with Tom Hiller and Duffy Brent of Hiller Associates to think through how the firm could be most effectively engaged in the effort. Following that meeting it was decided that Hiller Associates would be hired to research and identify potential individual and foundation donors (known in the fundraising community as “prospects”), and to help recruit volunteer leadership for the large-donor fundraising drive. By May of 1999, Jackie O’Connor, a Hiller Associates Vice President who had previous experience raising funds for environmental organizations such as the Manomet Observatory, was named by Hiller as chief fundraising counsel for the Pingree effort.<sup>68</sup> O’Connor weighed in during early fund-raising strategy discussions to advocate strongly for a focus on potential donors who could make six and seven-figure gifts, and was ultimately largely successful in steering volunteer leadership fundraising efforts in that direction.

According to Stein, if the Pingree project had been managed by a large, national conservation organization, five or six full-time staff members would have probably been assigned to it.<sup>69</sup> NEFF, in contrast, had at the time a very lean staff of less than ten full-time employees. At the beginning of 1999, Ross was the only full-time NEFF staff member spending even the majority of his time on what was soon to be called the largest single conservation easement project ever undertaken in the United States. Rather than loading up NEFF with new employees whose salary and overhead costs might be difficult to cover over the long term, Ross' choice, endorsed by the NEFF board, was to build a "virtual organization," effectively reducing month-to-month cash flow risks to NEFF. The question was: could he maintain cohesion and *esprit de corps* among members of a team based in locations throughout New England who corresponded principally by telephone and e-mail, meeting face-to-face only once or twice a month?

Ross, working with the team of consultants he was assembling for the Pingree initiative, as well as Bill King and the NEFF Board, moved quickly to put together a strong campaign. One of the first moves was to line up endorsements of the proposed easement deal by major political and non-profit organization leaders. Quite significantly, key leaders from both sectors rose to the occasion. *The New York Times* news service reported that, at an early March 1999 press conference convened in Augusta to announce the Pingree initiative, Maine Governor Angus King proclaimed his enthusiastic support, saying that "this is probably the biggest day for Maine out-of-doors since Governor Baxter first saw Mt. Katahdin." Nicely complementing the Governor's words were those of Bob Perschel of the Wilderness Society, identified in the newspaper as the "chairman of the Northern Forest Alliance, a coalition of 35 groups." Perschel offered an elegant sound bite that underscored his enthusiasm for the announced option: "it's the soul-satisfying sound of another piece of the Northern Forest puzzle clicking into place."<sup>70</sup>

The kick-off press conference and associated round of editorial meetings had a favorable direct impact. A number of Maine newspapers ran very positive stories on the initiative in March of 1999; an editorial in the *Portland Press Herald* opined that "it would be hard to conceive of a more important land protection plan for Maine, or anywhere." Quotes of the Governor's remarks, as well as excerpts from the *Portland Press Herald* editorial, were incorporated into printed materials prepared by the Pingree Forest Partnership for fundraising efforts. The early materials included a four-page glossy brochure that explains the scope and potential benefits of the easement deal, supplemented with aerial photography and a multi-colored map prepared with Geographic Information System (GIS) technology.

These written words, in turn, had a critically important secondary impact on the broadcast media.

Phil Balboni, President and Founder of the New England Cable News (NECN), a regional cable-television channel, saw the *Press Herald* article in the spring of 1999 and was impressed. Balboni, a highly regarded veteran of Boston area television news organizations, picked up the phone and "cold-called" Keith Ross. He explained to Ross that NECN might be able to help out in several ways. Ross, of course, was quite interested.

When the two men met in Balboni's office, along with Charles Kravetz of NECN and several others, Ross made an impression as being "a very engaging fellow... sincere, and earnest."<sup>71</sup> Balboni explained that NECN could send a reporter out to do several news stories on the Pingree effort, and perhaps follow up with some Public Service Announcements to help raise money for the deal. Ross enthusiastically agreed to the idea, and NECN sent reporter Dan Harris to Maine to do a set of in-depth news stories. The stories, which aired in the fall of 1999, employed on-the-ground interviews by Harris with both Ross and other proponents of the project as well as several people who did not support the initiative. They also included dramatic aerial footage of the Pingree landscape supplied by NEFF. Informal discussions with viewers who saw both on-the-air and complementary videotape versions of the stories generated very positive feedback. The stories were rated as being both interesting and a pleasure to watch, further building the image of the Pingree project as a new, distinctive, and exceptionally significant conservation project.

#### ***6.4 Revisiting the Easement***

While Ross and his team were achieving important early successes in gearing up a campaign to raise money for the Pingree project and garnering favorable publicity, the effort was not without its outspoken detractors and more moderate skeptics. Outspoken detractors at this early stage included wilderness advocates such as Jonathan Carter, who has several times been the Green Party candidate for Maine Governor, and who heads an organization called the Forest Ecology Network. Carter, a strong advocate of the proposal to create a 3.2 million acre Maine Woods National Park, was of the opinion "that in order for the NEFF and the Pingrees to label the project a 'conservation' deal, all logging activities would have to end on the land." The Pingrees, argued Carter, were "getting \$28 million for not doing anything more than they're already doing... It's more accurate to call this a 'development' deal."<sup>72</sup> According to several team members, having detractors such as Carter offer such highly critical statements to the press actually helped make the project team more cohesive and dedicated to their task. From very early days of the campaign, Elizabeth Swain explained, everyone put enormous amounts of energy and effort into the project.<sup>73</sup>

While the Pingree project team saw no benefit in trying to counter relatively radical suggestions such as Carter's, the team did make a concerted effort to address the concerns of more moderate skeptics who felt that the easement language should be re-examined and possibly improved to spell out more clearly the intent of the proposed transaction. Underlying these comments, put forward in part by well-established Maine-based land conservation organizations, was the concern that without further clarifications, potential donors might be led to believe by Pingree campaign marketing materials that the deal guaranteed not only limits on development, but also public access and the use of sustainable forestry practices. The skeptics wanted to make it quite clear that while the deal did impose on the landowner an obligation to limit development on the acreage, there was no such obligation, but only stated intentions, regarding commitments to specific sustainable forestry practices and public access. As noted above, the lack of such provisions in the proposed Pingree easement stood in contrast to provisions in comparable deals such as the one being negotiated on forestland around Nictaus Lake.

To prepare for a dialogue with the skeptics, Eliza Cope Nolan, the Portland real estate attorney engaged to represent NEFF in its continuing negotiations with Schley and his counsel on the terms of the conservation easement, in the spring of 1999 compared clauses in the Pingree agreement to those in comparable easement deals that had been consummated over the past 15 years in Northern New England. Nolan's analysis served to assure potential donors and others examining the deal that, in terms of easement language, nothing entirely new was being proposed in the Pingree deal. Elizabeth Swain and Peter Stein, beginning in the spring of 1999, coordinated a series of discussions with representatives from the Appalachian Mountain Club, the Maine Coast Heritage Trust, the Forest Society of Maine, the Nature Conservancy and other organizations to hear their recommendations regarding the easement language. In order to meet concerns regarding the intent of the easement language, Karin Marchetti, then outside counsel to Maine Coast Heritage Trust and other land trusts, was engaged to provide comments and suggestions regarding the initial easement draft.

Several of Marchetti's suggestions were incorporated into the final easement draft. For example, with regard to public access, the earlier version of the easement had some general language in the "Purpose" paragraph regarding the conservation and enhancement of "the historic public recreation opportunities of the property." In contrast, the final easement language, incorporating some of Marchetti's suggested changes, is considerably more explicit. Referring to Pingree Associates as the "Grantor" of the easement, the final conservation easement explains (see paragraph 5 of the Easement, attached to this report as Appendix A):<sup>74</sup>

The parties acknowledge that the Grantor does not grant any right of public access to, on or across, or public use of, the Property through this Easement, and the Grantor does not expand or extend through this Easement any privilege or license provided by the Grantor to the public to access or use the property. It is the Grantor's intent and objective (but the Grantor does not impose by this easement any obligation upon the Grantor or its successors or assigns) to allow public access on and across and use of significant portions of the property for the historic recreational purposes that are explained in the Baseline Documentation ...

The new language did satisfy a number of concerns regarding the easement document. In several cases, the dialogue process won over some early critics who went on to offer to do what they could to help the project reach its goals. The new language did not, according to Ross, change any ideas fundamental to the valuation of the easement, and so the review process did not in any way change the easement valuation offered by LandVest.

### ***6.5 A Way to Make "Something Really Significant Happen"***

Ross and his team were delighted with early communications efforts that resulted in strong endorsements of the project by the likes of Angus King and the *Portland Press Herald*. Likewise, they were pleased that their work with other conservation organizations to strengthen the easement language was proceeding in a satisfactory way. However, the

project team knew that their most important work was to convince major sources of philanthropy that this project deserved to be funded. The Pingree team approached several potential funders for early stage project support. One philanthropy that proved to be particularly important to the life of the initiative was the Sudbury Foundation.

The Foundation, started in the 1950s by entrepreneur Herb Atkinson and his wife, began by focusing on philanthropic initiatives in the town in which the Atkinson's lived, Sudbury, Massachusetts. After the Atkinsons passed away, leaving no heirs, decisions regarding the distribution of foundation funds became the responsibility of trustees John Taft, Rich Davison and an individual representing Fleet Bank. As explained on the Foundation's website, "consistent with the Atkinsons' appreciation of the natural world, the trustees ... broadened the Foundation's grantmaking focus, creating an environmental grantmaking program that since 1992 has funded an assortment of projects throughout New England."<sup>75</sup>

In connection with the Sudbury Foundation's focus on environmental grantmaking, both Taft and Davison spent considerable time thinking about the challenges facing the Northern Forest stretching from New York to Maine. By the mid-1990s, they were generally in agreement with three important goals for the region identified through a series of discussions, including those convened by the Northern Forest Funders Forum launched by Sudbury and the Merck Family Fund. The goals, generally stated, were: first, that some places in the Northern Forest should have permanent "forever wild" type protection; second, that forestry practices across the region needed to become increasingly "sustainable," according to standards still being developed at the time; and third, that viable communities across the region should be supported.

Rich Davison reports that the Sudbury Foundation was introduced to a pair of projects focused on conservation in the Northern Forest – the New England Forestry Foundation's Pingree project and The Nature Conservancy's (TNC's) St. John River project – within two weeks of one another. Both projects were quite ambitious in size, each ultimately seeking funding in the \$20 million to \$30 million range. The two initiatives were, however, distinguished from one another by several important characteristics. First, they had somewhat different purposes. TNC's St. John project was principally concerned with protecting wildlife habitat, while the Pingree project was concerned with keeping development out of the working forest. Furthermore, as Davison explains, "the organizations could not have been more different."<sup>76</sup>

As seen by Davison, TNC was a large, sophisticated organization with a globe-spanning presence. The head of TNC in Maine, Kent Womack, was able to call on the human and financial capital of The Nature Conservancy's international headquarters in Arlington, Virginia, for help in getting his project off the ground. In contrast, NEFF was a very small organization with relatively tiny financial and human resources, an organization in which no one had ever done a project of the size envisioned for the Pingree forestland.

Despite the differences between the two conservation groups, Davison and Taft had a reasonable level of comfort in dealing with each organization. Their level of comfort regarding NEFF stemmed in part from the fact that both men knew and had interacted with Bill King over a number of years. Furthermore, while Davison noted that Keith Ross did not have much experience raising large sums of philanthropic resources, he was “hard not to like,” and had a great deal of technical knowledge regarding sustainable forestry.<sup>77</sup>

As it became apparent to both Taft and Davison that the Pingree project might give them a way to help make “something really significant happen,” they approved a \$25,000 “seed money” grant to NEFF to get early fundraising efforts underway in March of 1999. That was a significant part of the total of \$130,000 that had been raised by the campaign as of 3/31/99. According to Davison, Sudbury had a particular interest in Pingree because “it would not lock land away forever,” but rather offer an example of how donors might help sustainable forestry continue to be practiced on the land.

Davison and Taft came to believe that both the Pingree and TNC project “had to succeed” to prove that very large scale projects spearheaded by non-governmental organizations in the Northern Forest were viable. They were comfortable with the idea that the two projects had complementary but not identical purposes. Accordingly, the Foundation made substantial grants to both efforts, committing \$350,000 to the TNC St. John project and then \$650,000 to the Pingree project towards the end of 1999. Davison reports that some other conservation funders had “harsh words” with Sudbury for not focusing its resources on protecting “forever wild” landscapes. He reports that Sudbury stuck to its course, in part because the trustees saw an opportunity to influence corporations with forestry interests to think seriously, as the Pingrees had done, about both seeking sustainable forestry certification and selling development easements on their forestland.

The Sudbury Foundation, of course, was not alone in its early support of the Pingree project. In particular, three individuals associated with the Merck family – Bayard Henry, Frank Hatch, and Wil Merck – were critical to the project’s success.

The Merck family, like the Pingrees, had long been interested in forestry. When, in 1891, George Merck came to New York to set up a branch of the German family’s pharmacy business, he maintained a strong bond with his lifelong friend and with his wife’s first cousin, Carl Alwin Schenk, the German proponent of scientific forestry who had come to help advance the idea of professional forestry in America. Schenk, who was instrumental in setting up the first American forestry school on the Vanderbilt’s Biltmore estate in North Carolina, was an esteemed and welcome guest at Merck family gatherings, known within the family as “UncAli.” Over time, George Merck and Carl Schenk passed their shared enthusiasm for scientific forestry onto the succeeding generations of the Merck family, including Bayard Henry, one of George Merck’s grandsons.

Bayard Henry, carrying a family tradition of philanthropic support for worthy forestry efforts, became a member of NEFF’s board in 1966, and served as its President for two



decades, from 1971 to 1991.<sup>78</sup> It was Bayard Henry who convinced Bill King, whom he had known since fifth grade, to join NEFF's board in the 1980s and take on its leadership in the early 1990s. And Henry was strongly supportive of the changes to NEFF structure that King had helped to bring about in the early 1990s.

A second member of the extended Merck family, Wilhelm Merck (known to friends as Wil) joined the NEFF Board in the 1980s, becoming the Board Treasurer in 1994. Wil, a strong advocate of NEFF's participation in Northern Forest Alliance dialogues, was consistently supportive of Keith Ross' early efforts to pursue a deal with the Pingrees.

A third member of the extended Merck Family (by marriage), Frank Hatch, was well known throughout New England as a leading conservationist. A Republican member of the Massachusetts Legislature for 16 years, he was the author of a precedent-setting wetlands protection act known as the Hatch Act. He also served for many years as Chairman of the Board of the Conservation Law Foundation, retiring from that position in 1988. While Hatch was not a member of the NEFF Board, he was quite familiar with its efforts. He also had firsthand knowledge of the Pingree family and its tradition of forestry, having made close friends during his days as a Harvard undergraduate with descendents of David Pingree. As a young man, Hatch had an opportunity to visit the Pingree forestland with members of the fourth and fifth generations of the Pingree family, and he took from those experiences a clear sense for how deeply the family cared for their forestland.

Bayard Henry, Wil Merck and Frank Hatch were instrumental to the success of the Pingree project in several ways. First, as described above, Wil Merck was supportive as a NEFF Board member of Keith Ross's early efforts to initiate a conversation with the Pingrees. Second, Wil Merck, a member of the board of directors of the Merck Family Fund, was supportive of that fund's grants to the Northern Forest Alliance which helped to set priorities for the region that included both wilderness protection and the advancement of sustainable forestry practices. Third, as Chairman of the John Merck Fund (JMF), Frank Hatch backed JMF's grant of \$2.25 million pledged in the summer of 1999 to the Pingree project. The JMF pledge was a key early, large-scale commitment to the campaign; it signaled to other philanthropies that NEFF's ambitious project had real potential. Fourth, and probably most importantly, Bayard Henry, Frank Hatch and Wil Merck provided critical volunteer leadership for the fundraising effort.

Indeed, in the opinion of Jackie O'Connor and her colleagues at Hiller Associates, the "defining moment of the campaign" was on August 12, 1999, when Bayard Henry agreed, in a meeting with Tom Hiller and Bill King, to accept the leadership of the volunteer fundraising campaign. Soon after that decision was made, Jackie O'Connor moved into an office adjacent to Bayard Henry's office in Boston. The two worked very long hours together to identify prospects and solicit the large gifts necessary to reach the campaign's ambitious goals. A Hiller Associates memo written at the end of the campaign characterizes Henry's contribution to the effort as follows: "Bayard is what can only be described as a 'professional' volunteer. He represents the very best of everything you could wish for in a leader – committed, passionate, articulate, tenacious, hard working and exceedingly

generous. He never faltered on assigned calls and achieved extraordinary number of significant commitments. As though that was not enough, Bayard's wife Julie also donated her time and energy to the campaign ... The New England Forestry Foundation is very fortunate to have this family's indefatigable support and leadership."<sup>79</sup>

About the same time that Bayard Henry agreed to be Chair of the Leadership Committee, Frank Hatch assented to become the group's Honorary Chair. Hatch's leadership in New England conservation circles was well established, as was his personal knowledge of the players and issues associated with the Northern Forest. His continued support and advocacy for the project as a fundraiser added substantially to the project's credibility in the eyes of large potential funders.

In May 2000, Wil Merck joined the Leadership Committee as co-chairman, pitching in diligently. Wil soon became, in O'Connor's view, "a master at articulating the case for the Pingree project." Combining their efforts and talents as fundraisers, Bayard Henry, Frank Hatch and Wil Merck, as O'Connor describes it, comprised "an incredibly strong threesome of volunteer co-chairs [who] were responsible for success in the campaign."<sup>80</sup>

What attracted these three individuals to the Pingree project at a time when there were so many other charitable and for-profit ventures that might have garnered their attention? Hatch, not unlike Davison, thought that both TNC's St. John project and the Pingree project ought to succeed as part of a larger effort to protect the Northern Forest. Accordingly, the John Merck Fund made grants to both the TNC and the NEFF efforts. However, Hatch saw the fundraising for the Pingree project as the more urgent and challenging of the two, due to NEFF's relatively small size and lean organization, and because of the distinctive forestry-oriented purpose of the deal. Actually, that was part of the attraction of the deal for the John Merck Fund, which to some extent sees itself as a sort of philanthropic "venture capital funder."<sup>81</sup>

Wil Merck was also attracted by the unique nature of the Pingree easement: "the size of the project, and the efficiency of the deal" in terms of acres protected per conservation dollar "really got people's attention."<sup>82</sup> Both Merck and Bayard Henry also emphasized that the deal's feasibility was in part due to the fact that knowledgeable donors trust and respect the Pingrees. "They have a wonderful land ethic, exceeding the norm for standards of sustainable forestry,"<sup>83</sup> explained Bayard Henry. The fact that the family went out on their own to get FSC certification was key to the efforts of Hatch, Merck and Henry to attract other donors to the participate in the effort.

Whatever their reasons, the threesome continued throughout 1999 and 2000 to view the Pingree Forest Partnership as an extraordinary initiative, and they were determined to see it succeed. Despite an ongoing series of project ups and downs, there was a sense among both volunteers and the professional consultants working on the effort that they were part of a precedent-setting effort, working alongside, as Ann Fowler Wallace expressed it, "the best and the brightest." *Esprit de corps* was heightened by the feeling that, as a relatively small

group, they were pulling off a project substantially bigger than any easement deal ever attempted by much larger conservation organizations. As Wallace put it, it was a sort of “David and Goliath thing... It was incredibly exciting, in the context of everything that was going on in the Northern Forest.”<sup>84</sup>

In effect, Keith Ross, in part because he was leading by example with tireless if somewhat “unorthodox”<sup>85</sup> efforts, was succeeding in keeping key volunteer and professional members of the Pingree Forest Partnership team highly motivated and focused on its task. In the eyes of most volunteer and professional conservationists putting in long hours to raise the necessary funds, Ross’ role continued to be central to the effort. He was, as Bayard Henry explained, “the heart and soul of the project.”<sup>86</sup>

### ***6.6. The Virtual Team at Work***

By the fall and winter of 1999/2000, efforts to solicit gifts from potentially large donors and large foundations were well under way. The Leadership Committee included more than 20 members, including Bayard Henry, Frank Hatch and Wil Merck and key allies such as Clint Reynolds (son of Harris Reynolds, NEFF’s founder), E.F. “Ben” Bowditch (a longtime NEFF supporter) and Igor and Karen Sikorsky (who made the Bradford Camps available repeatedly for fundraising activities).<sup>87</sup> With the receipt of the John Merck Fund advance pledge in July 1999, the campaign reached the \$4.5 million mark in September 1999. The \$7 million mark was passed near the end of December 1999.

Jackie O’Connor continued to advocate strongly that appeals to individuals should be focused first on major gift prospects. In a similar vein, Ann Fowler Wallace, working with Keith Ross, Peter Stein, and Frank Reed, made concerted efforts to focus the team’s attention on foundations that had the potential to make substantial gifts. Having herself served as a foundation officer in an earlier job, Wallace proved very effective at sharpening the proposals going out to foundations, tailoring each appeal to individual foundation’s particular priorities.<sup>88</sup> Early foundation fundraising efforts reportedly met with good success: the Winter 1999 edition of “New Growth,” a quarterly NEFF newsletter to its members, reported the following.

So how is [Pingree Forest Partnership] fundraising going? Very well! For example, nearly all of the twenty-plus grant applications we have submitted to foundations on behalf of the project have been successful. This is a testament to the quality of the project, and we are continually pleased with the enthusiasm shown by individuals and foundations who learn about the project.<sup>89</sup>

During the period, all of the members of the team were working intensely. Bayard Henry and Jackie O’Connor were putting in very long days to identify prospects and make effective appeals. Like the team members putting out foundation proposals, they were also meeting with good success, securing a number of six-figure donations (i.e., donations and grants in

the hundreds of thousands of dollars). They were also making progress on cultivating donors for several seven-figure donations and grants that would eventually be realized in 2000.

Keith Ross was setting a torrid pace, logging tens of thousands of miles in his veteran purple Honda Civic, visiting with team members across New England, making articulate appeals to major donors and foundations, trying to manage the project budget, and attempting to stay on top of nearly every foundation proposal that went out the door. An observer of the project described him at the time as “the whirling dervish of land protection.” In part to work with him, as well as Jackie O’Connor and Bayard Henry, Keith Ross assiduously recruited Cynthia Wood to the project. Wood, a Yale School of Forestry and Environmental Studies graduate and former Massachusetts County Forester, proved to have a talent for listening, writing, administering and quietly getting things done. Bayard Henry gives Wood very high marks for her efforts on the initiative, calling her “one of the single most effective people I have ever worked with.”

The team benefited at the time from considerable support from other NEFF officers and employees not directly assigned to the Pingree effort. For example, Charlie Thompson, who served as NEFF’s Managing Director during the period, kept tabs on the Pingree efforts budget, helped coordinate board-level discussion of the Pingree initiative, and kept the Pingree effort front and center in NEFF publications, all the while encouraging forward movement on a number of other important efforts at the foundation. For example, during 1998, he oversaw the divestiture by NEFF of its New England Forestry Consultants, Inc. (NEFCo) stock, which was sold to NEFCo foresters. He also oversaw a number of other innovative forest conservation projects, such as the effort to protect more than 8,500 acres of forestland in western Massachusetts and Connecticut in conjunction with sawmill owner and conservationist Bill Hull. According to Thompson, one of the principal challenges of the era at NEFF was balancing the focus on exciting new initiatives with the need to sustain emphasis on more traditional services provided by the organization.<sup>90</sup>

The public image of the Pingree project was bolstered by ongoing media coverage. By late 1999, the New England Cable News had taken the Pingree footage it had accumulated in preparing the news pieces on the project aired and used the images to produce an entire one-half hour special on the Pingree initiative. In addition, the network prepared a series of brief Public Service Announcements (PSAs) that, along with the half-hour piece, were aired over and over again over the course of the year. The PSAs, which featured NECN reporters as well as well-known Mainers such as Tom Chappell (of Tom’s of Maine fame) ran, according to Phil Balboni, “thousands of times” during 2000, helping to maintain visibility for the effort as it approached its fundraising deadline.

The NECN pieces, Balboni explained, demonstrated to all New Englanders – not just people in Maine – the importance of protecting a large piece of the Maine woods. He said that the Pingree project, in part because of the NECN stories, became viewed as an effort that everyone in New England could learn and care about, even if they had never been to the north woods. And “doing good with our network” is a matter of considerable pride for Balboni, Kravetz and their associates at NECN. At the same time as they were doing good,

NECN was in a subtle way “doing well” for the network and its image, particularly in the Southern Maine market. At the time, NECN was present in somewhat less than 20% of homes in the more populated part of the state and striving to expand its viewership. By helping a good cause like the Pingree project, NECN was able to become “entwined” in the lives of people living in Northern New England, gaining new respect for the broadcast institution and for the NECN brand.

In addition to the NECN coverage, the project continued to produce a number of very effective communications materials for use with potential donors. In early 2000, with significant input from the volunteer leadership committee, the Pingree Forest Partnership produced a second project brochure of sixteen pages with an additional eight pages of inserts which clearly and graphically made the case for purchasing an easement on the Pingree forestland (a sample page from of the brochure is attached to this report as Appendix B). A striking poster-size wall calendar and a set of post cards with compelling images of the Pingree landscape were published for distribution to project supporters.

In a continuing effort to address thoughtful critics of the proposed easement, NEFF also published a study prepared by Land & Water Associates, a Hallowell, Maine based firm, entitled, “Are the Pingree Lands Really Vulnerable to Development?” The report’s purpose and findings are succinctly described in its Introduction.

Since the Pingree lands lie in the Maine north woods, a very lightly developed area, some have questioned whether Pingree lands subject to a no-development easement are truly vulnerable to development. The answer is Yes. Past landowner policy is largely what has kept much of Maine’s unorganized territory undeveloped, but those policies can change, and there is substantial demand for development opportunity in the LURC jurisdiction.<sup>91</sup>

The highest profile public figure to follow through with his support for the project was Angus King, who before becoming Governor of Maine had been a well-known newscaster in the state. Governor King spoke very effectively at a fall 1999 meeting of NEFF supporters. He also narrated a ten-minute video in support of the Pingree project.<sup>92</sup> Living up to his reputation as “one-take Angus” (i.e., able to complete a film project on just one take), King’s narration was both professional and modestly eloquent. The tape was widely distributed to potential donors and reportedly made a very favorable impression, underscoring the project team’s contention that this project was of genuine and historic importance (for the full text of King’s narration for the video, see Appendix C to this report).

### ***6.7. Adapting the Fundraising Strategy***

Notwithstanding the great progress that they had made in raising funds and building support for the Pingree project, by the early months of 2000 the fundraising team had also faced a number of disappointments. Many of the “no thank you” responses to the fundraising

appeals made were viewed as “to-be-expected” in the fundraising game. Other disappointments were more difficult.

One of the most difficult disappointments came when, after a series of meetings, it became apparent that members of the Pingree family would be unable to contribute to the capital campaign for the easement itself, in part because of potential for conflict-of-interest problems (note that, despite their inability to participate in the easement capital campaign, some Pingree family members were able to make “very generous” contributions to the donor-advised endowment fund established at the Maine Community Foundation to support monitoring activities on all NEFF easements<sup>93</sup>). At an earlier point in the campaign, hopes were high that the Pingrees might be able to anchor the easement capital campaign with a very substantial gift. Such hopes had now evaporated.

By March 2000 the Pingree Campaign had still only raised a little more than \$10 million, less than one-third of the ultimate fundraising goal, with only nine months to go until the deadline date. While a number of outstanding asks were still pending, it was not clear to insiders that the campaign would succeed in raising more than \$30 million by December 31, 2000.

Given the clearly tough sledding ahead, several key decisions had to be made in early 2000. One was whether or not to aggressively pursue a Challenge Grant from the Kresge Foundation. While a Kresge grant might yield a seven-figure matching gift, the team knew that applying for, pursuing and matching a Kresge grant was a particularly rigorous and competitive process. Ann Fowler Wallace, among others, strongly advocated that it was worth the effort. Wallace suggested that Mort Mather, a Maine-based conservationist who had led the successful campaign to raise money to protect Laudholm farm in southern Maine, as well as other projects that had successfully pursued Kresge grants, might be able to help with the process. Mather was hired as a consultant to help with the Kresge and other grant applications, and to help build better ties between the Pingree Forest Partnership and other Maine environmental organizations.

Mather, a well-known personality in the organic farming community in Maine, showed particular dedication to the Pingree initiative and made a strong impression on Bayard Henry, as well as others. For several months in mid-2000, at Bayard Henry’s request, Mather served as the head of public fundraising efforts for the Pingree campaign, in effect replacing Tom Hiller as the principal fundraising counsel for the effort. Among other projects, Mather helped to prepare a brochure used in the broad-based “public phase” of the campaign which urged individuals to donate \$37.10 to save an acre of land in the Maine.

The Kresge grant was ultimately successful, bringing in \$1,000,000, plus matching gifts in an equal amount, that were applied towards the campaign goal. The public solicitation of \$37.10 per acre brought in a much more modest amount, perhaps in the tens of thousands of dollars. Nonetheless, such small gifts had an important symbolic effect, showing the support, for example, of the schoolchildren of Maine for the Pingree Forest Partnership.

A second difficult decision that the project team had to make was whether or not to seek any public funding to support NEFF's purchase of the easement from Pingree Associates. When, in May 2000, Keith Ross approached the Pingrees about the possibility of reopening discussions regarding public funding, family representatives reiterated their concern, as Ross explained it, that "if they took public funds they might be subject to federal rulings they didn't know of."<sup>94</sup>

Ross explained that he might have a way to defuse the concern by identifying programs that would allow public monies to come to NEFF, which in turn would purchase the easement, rather than having it come to the Pingrees directly. The relationship between NEFF and the Pingrees as described in the easement document would remain effectively unchanged. "They had no problem with that,"<sup>95</sup> reported Ross. With no objections from the Pingrees, NEFF sought such project funding available under the North American Wildlife Conservation Act (NAWCA), from the National Fish and Wildlife Foundation (NFWF), and from a fund dedicated to loon habitat protection that was set up as part of a settlement related to an oil spill off of the coast of Rhode Island.<sup>96</sup>

To advise and work with them on such public funding opportunities, the Pingree Forest Partnership engaged Amos Eno, a career conservationist who had several decades of public service experience, primarily in the U.S. Department of Interior, and more recently as the Director of NFWF. Eno is the great-nephew of Gifford Pinchot, the founder of the U.S. Forest Service who was a close and well-known political ally of President Theodore Roosevelt in his fight to establish conservation as a national political priority. Keith Ross called Eno while he was still at NFWF in the spring of 1999 to tell him about the Pingree project. Eno cut the pitch short to endorse the effort enthusiastically, saying, "...what a brilliant concept, with watershed timing... go for it!" promising "to do what I could to help."<sup>97</sup>

The choice of Eno in the year 2000 to help acquire funding from public sector organizations was not without controversy. Eno, during the late 1990s, had become an outspoken advocate of conservation on private lands. He had left NFWF in 1999 at least in part because of his stated beliefs regarding the waning importance of public agencies as owners and managers of conservation lands. Speaking on behalf of the Resources First Group after he had left NFWF, Eno articulated his position to a group of real estate tax attorneys.

Basically, from Teddy Roosevelt to Earthday to Al Gore, every major environmental initiative has been about empowering federal and state governments at the expense of private land-owners. This equation is upside/down, patently ineffective, and the cause of great polarization and anguish in our society.<sup>98</sup>

Among others on the Pingree team, Mort Mather and Eno had fairly divergent points of view on this and other subjects, and Mather reportedly scaled back his involvement with the Pingree project as Eno became increasingly prominent as a Pingree project spokesperson and fund raiser.

Eno, however, proved to be an effective public advocate for the Pingree project. In a six page white paper he authored for the Pingree Forest Partnership in the year 2000, Eno argued that the private sector was ready and able to play an increasingly important role in regional conservation efforts, and that every effort should be made to encourage such involvement, including the pooling of public and private capital to get large easement deals done.

We need paragons of private sector conservation to stimulate replication and recognition of private sector actions for public benefit.

The Pingree Forest Partnership embodies the best of progressive conservation by the private sector. This family has managed its lands laudably for seven generations, 160 years. The family has a tradition of conservation bequests and commitments to conservation....

The Pingree project... provides a model for effectively pooling privately raised dollars with public funds from multiple sources. Landscape scale projects the size of the Pingree lands or the Nature Conservancy's St. John project or the Forest Society of Maine's West Branch project are too big for single source fundraising. Effectively pooling private philanthropic and corporate donations with state and federal funding sources is the most efficient way of both raising the necessary capital for mega-projects and for coalescing public support behind these efforts.<sup>99</sup>

Not unexpectedly, a number of conservationists and environmentalists involved in public debate regarding the conservation of the Northern Forest questioned these arguments for public funding of what had been expected to be a non-governmentally funded project. Jay Espy, President of the Maine Coast Heritage Trust, himself a highly respected veteran of the private land trust community in Maine, said that the commitment of public money to the Pingree project "raises all sorts of questions in my mind. Prohibiting development, that's great. But is it the best deal to use public money? If I were sitting on the NAWCA board and looking at things nationally, I'd think I had to buy something really good, really important."<sup>100</sup>

Jym St. Pierre, Executive Director of the Maine office of *Restore: The North Woods*, offered more pointed criticism. "Public money changes the whole deal... I have real concerns that [the Pingree project] doesn't assure forest sustainability, access for public recreation, wildlife habitat and biodiversity. I'm not saying there aren't some public values protected. But what the public wants is wilderness, big wilderness, and we're not getting it from these deals. We need both wilderness and working forest, but not working forest everywhere."<sup>101</sup>

The advocates of wilderness and a national park in the Maine woods were not the only issue-oriented voices who entered the debate, however. A constituency represented by George Smith, President of the Sportsman's Alliance of Maine (SAM), along with a chorus of supportive members of organizations supporting traditional sporting uses of the forest, proved to be critically important in the debate. Smith, in editorials with titles like "No



National Parks,” argued that public decision makers needed to pay attention to the Maine Guides, the camp owners, the hunting clubs, and the sporting goods dealers who were an important part of the local economies of communities located in the heart of the Maine woods. These people, who had used the woods for many decades under traditional leases and access arrangements with private forest owners such as the Pingrees, didn’t want new wilderness and National Park restrictions on the land that they believed would slowly but surely squeeze out hunting, fishing and vehicular use of the resource. Smith, as he had done from the project’s early days, continued offering strong support for the project at a June 8, 2000 press conference held in Maine to celebrate the Pingree Forest Partnership’s reaching the halfway goal in its fundraising efforts. He characterized the land as magnificent. “When you think about Maine,” Smith said, “this is exactly what you envision.”<sup>102</sup>

In concert with the concerns of SAM, Eno underscored, in his white paper, that the Pingree easement makes clear the family’s intent “to continue a century-long tradition of public use on the Pingree lands.... The access tradition is addressed in the Purpose section of the easement, which states ‘the landowner’s intent to conserve and/or enhance historic public recreation opportunities of the property for present and future generations.’ In the early 1970s the Pingree family helped to establish North Maine Woods (NMW), a non-profit organization, to provide better public access to northern forestlands and a management system to facilitate camping and day use throughout Northern Maine. NMW currently manages 200,000 visitor days each year, including 90,000 visitor days on Pingree lands within the easements.”

Among a number of other points, Eno closes his white paper with some satisfaction in noting that the Pingree project is “a proverbial groundbreaker.” He explains,

We must recognize that the Pingree Forest Partnership project, to borrow the language of the internet, is a ‘disruptive project.’ It is innovative; it challenges the norms and sacred tenets of traditional fee title or public acquisitions, and its immense size provides its own set of distortions in today’s tidy world of environmental protection... It is high time for us to hold up private conservation leadership to a public stature and recognition it so richly deserves. In Maine the Pingree Forest Partnership represents the future of sustainable forest conservation.<sup>103</sup>

Eno’s arguments for pooling public and private capital resources to support an innovative project that encourages traditional public recreational uses of the woods, as well as private initiative in sustainable forestry, apparently carried weight with at least some public decision makers. Discussions with the State of Maine did not yield public funding, in part because of disagreements over public access issues; discussions with administrators of the fund set up to restore loon habitat after the Rhode Island oil spill were ultimately more successful, with \$500,000 being committed to the Pingree project capital costs, and an additional \$200,000 pledged to conduct loon monitoring activities over a five year period. In addition, the Board that determines how funds appropriated under the North American Wetlands Conservation Act did approve, with at least one dissenting vote, a \$1 million grant to the Pingree project in September 2000. And, with the endorsements of Susan Collins and Olympia Snowe, the two

U.S. Senators from Maine, a special appropriation was made to the National Fish and Wildlife Foundation in to fund a \$2 million dollar grant to NEFF for the Pingree project.

### ***6.8. Working with the Nature Conservancy***

As the Pingree campaign team was working intently in 2000 on multiple potential sources of financing, a supporter of both NEFF and The Nature Conservancy (TNC) urged the two organizations to see if they might be able to work together in some way. Keith Ross quickly warmed up to the idea, having discussed the Pingree project with Kent Womack of the Maine Chapter of the Nature Conservancy several times during the fundraising process without coming up with any obvious ways that the two organizations might work together.

Womack and Ross set up a series of meetings between themselves, inviting Steve Schley to join them. As Ross describes it, it took several sessions to “break the ice,” but then things “got creative.” TNC was in the process of completing its large land purchase deal for habitat in the St. John River valley in Northern Maine, and recognized that several parcels of land owned by the Pingrees would nicely complement that project. Schley was willing to discuss some kind of arrangement regarding the Pingree’s St. John River holdings, which were then slated to be included in the NEFF deal, but was not interested in selling the land outright.

Discussions turned to an alternate scenario. TNC said that it might be interested in purchasing, through NEFF, what amounted to an incremental conservation restriction on about 3,000 acres of the St. John River corridor lands owned by the Pingrees. TNC made it clear that any incremental restriction which it might pay for would need to be designed, on the acreage in question, to limit forestry activities only to those necessary to: maintain public safety; manage recreational activities; manage species protection efforts; preserve existing recreational and scenic values; and respond to natural major natural disasters such as large blowdowns or insect infestations (see Exhibit E to the Pingree Easement, itself attached to this report as Appendix A). General forestry for commercial purposes, such as that envisioned for the balance of the Pingree Forest Partnership land, would not be allowed.

Schley, on behalf of the Pingree interests, considered and agreed to the idea. In the spirit of such an arrangement, the Pingrees agreed to donate any net proceeds from such forestry activities in the St. John corridor to a non-profit organization. In consideration for such restrictions on the Pingree’s St. John River corridor land, TNC agreed to transfer to NEFF for use in the Pingree project some \$1.5 million plus 3,683 acres of land which it had recently acquired. The 3,683 acres would then be transferred from NEFF to Pingree Associates, which in turn agreed to manage that 3,683 acres under the same general forestry provisions as the balance of the Pingree Forest Partnership lands would be managed.

In addition to the St. John River corridor lands, TNC expressed an interest in helping to protect some buffer land around its Big Reed Pond parcel, a parcel that TNC had purchased from the Pingrees in the early 1990s. The buffer land, owned by Pingree interests, had not as yet been included in the Pingree Forest Partnership package. The parties agreed that this idea

also had merit. Accordingly, TNC committed to contribute \$37.10 per acre protected (the already established per acre appraised value for the Pingree Forest Partnership deal), or an additional sum of \$142,315, to the NEFF project, for the protection from development of an additional parcel of 3,836 acres around Big Reed Pond.

In aggregate, then, the set of transactions became a “win-win-win” deal for NEFF’s Pingree Forest Partnership campaign, for TNC, and for Pingree Associates. NEFF secured, in total, more than \$1.6 million towards its Pingree Forest Partnership fundraising goal and added more than 7,400 acres to the project. TNC secured additional protection of lands valued as wildlife habitat in the St. John River corridor and near Big Reed Pond. And, in exchange for the lands which it had agreed not to commercially harvest in the St. John River corridor, Pingree Associates acquired about 3,600 acres that it could use for forestry purposes under the general NEFF easement agreement. A set of maps delineating the lands included in the Pingree deal, as ultimately configured, is attached as Appendix D.

### ***6.9. To the Finish Line***

By the early fall of 2000, given indications that the team would be successful in raising money from public sector sources, from Kresge, and in conjunction with the Nature Conservancy, it appeared that the project had the momentum to reach its \$32 million goal. But there were still millions to raise, and the December 31 deadline loomed ever closer.

To make it to the finish line in an orderly way, the project team came up with several creative ideas. First, it planned a December 2000 dinner with Angus King and several major donors to make sure that the pledges necessary to put the project over the top could be solicited at the last minute. Second, the team worked closely with Owen Wells, a key director of the Libra Foundation (a foundation funded by the then-deceased Betty Noyes that had been a major contributor to the campaign), to make sure that adequate cash would be available for the financial closing on NEFF’s easement option scheduled to take place in March 2001, even if not all pledges had been collected by that time. Wells was instrumental in helping to arrange a novel bridge financing that would advance the necessary funds to NEFF for the closing at the appropriate time, taking pledges from reputable charitable sources as collateral.

The final push was generally helped by the fact that in the months before the December deadline, the Pingree Forest Partnership continued to enjoy generally favorable media coverage. For example, Dan Harris, the reporter who had covered the project for the New England Cable News, had been hired in 2000 as a reporter for the *ABC World News Tonight*. Harris brought the idea for a short feature on the Pingree project to ABC, and was given the go ahead to file his report. The piece, which ran on ABC in the second half of 2000, is reported to have made a favorable impression on several large donors, whose interest in the project was reinforced by such national attention.

By the date of the dinner with Governor King in December 2000, all of the pieces had fallen into place. Indeed, Keith Ross reports that there were a couple of “emergency” sources of

funds which could have been called on had the project not made it to the finish line. As Jackie O'Connor had predicted, it was the large project donors who made the difference.

For example, of the 1,230 total individual and organizational donors counted as of January 2001 who had contributed (or had pledged to contribute) money to the Pingree Forest Partnership, the top ten sources of funds (less than 1% of the total number of sources), each putting in a million dollars or more, supplied more than \$15 million dollars of the total.

There were an additional 10 gifts of between \$500,000 and \$1,000,000; 5 gifts of between \$250,000 and \$500,000; 16 gifts between \$100,000 and \$250,000; 15 gifts between \$50,000 and \$100,000; 29 gifts between \$25,000 and \$50,000, and 41 gifts between \$10,000 and \$25,000. The balance of the contributions, more than 1,100 in number (representing more than 89% of the total number of donors), were for less than \$10,000 each, and accounted for less than 10% of the total funds raised.

Campaign contributions came from a diversity of sectors and geographic locations. The campaign benefited substantially from participation by foundation, individual, and public sectors sources. Foundation sources (including Kresge) accounted for more than \$13,000,000 of the total raised. Public sector sources, including the NFWF and NAWCA grants, amounted to about \$3,500,000. In contrast, corporate gifts towards the goal amounted to only \$20,000. The balance of funds raised – more than one-half of the total — came primarily from individuals and family sources. Geographically, of the top forty private grants to the project, four donors were year-round Maine residents, eleven donors had seasonal residences in Maine. The other 25 were from out-of-state sources, or, as Mainers say, “from away.”<sup>104</sup>

The Pingree Forest Partnership team worked very hard in the first quarter of 2001 to tie up all of the loose ends of the effort. Ross spent a great deal of time over the winter in some of the most complex discussions of the entire campaign, working with sources that had pledged to make gifts over the course of 2001 and later years, succeeding in accelerating most of pledges so that they were paid in the first quarter of that year.

Finally, by March 2001, most of the pledges were in, the deal had been closed, and it was time to recognize a job very well done. At the end of a long and arduous campaign, smiles and kudos were seen and heard in abundance. Consider, for example, the following excerpt from the March 20, 2001 *Maine Times*:

Even before it was completed, the 762,192 acre Pingree Forest Partnership Project was inspiring other families to look at selling conservation easements on their holdings. Keith Ross of the New England Forestry Foundation said the Pingree family deal—the largest forest land protection deal in U.S. history—has generated “tremendous interest” in the region. He has received call from members of other families asking, “If all those [Pingrees] can get together, do you think my sister and I can, or my family and I can?”...

The deal with NEFF was completed March 20 without the public debate and scrutiny that is affecting the proposed 657,000 acre West Branch Project, also in northwest Maine. Compared to that ambitious effort, the Pingree agreement is a model of simplicity and low cost that may influence easement policy in the future.

“The protection of over three quarters of a million acres shows that with the right partners, landscape-scale projects are dreams that can come true,” said Governor Angus King, who held the announcement ceremony at Blaine House in Augusta. Members of the Pingree clan were on hand, as were Breakwater School children from Portland, who conducted a penny drive to raise \$832.42 for the project...”<sup>105</sup>

### ***6.10. An Ongoing Stewardship Strategy***

As any experienced land trust professional can tell you, the job doesn't end when the fundraising is completed and a conservation easement deal is signed. A less glamorous but critically important phase then begins. Once the deal is done, the responsible easement holder is appropriately obliged to regularly monitor the landscape and enforce the provisions of the easement. The length of this phase is, in many cases, endless, given the typical provision that the easement be held in perpetuity.

To help it address NEFF easement monitoring and enforcement responsibilities on the Pingree forestlands, the Pingree Forest Partnership raised during its 1999-2000 campaign a monitoring endowment for the Pingree project of \$1 million. The monitoring endowment, now held by a separate community foundation for the benefit of NEFF, will yield approximately \$50,000 per year to cover the foundation's monitoring costs. The challenge to NEFF is to stretch that \$50,000 each year to cover monitoring costs related to the tracking of three groups of landscape attributes (i.e., development activities, forestry activities, and forest ecosystem attributes) across a vast mosaic of forestland.

Keith Ross, Frank Reed, and Peter Stein began in 1999 to think through creative ways of getting the monitoring job done on a relatively tight budget. They realized from the beginning that traditional methods, mainly done at the ground level (e.g., an individual forester riding around a particular piece of property in a truck) would not be economically or physically feasible. Ross, Reed, and Stein, with advice from some independent consultants, set up preliminary discussions with several groups that used aerial or satellite images to monitor landscapes. They became particularly interested in the work of Steven Sader, a professor of Forest Resources at the University of Maine at Orono. Sader, also Director of the Maine Image Analysis Laboratory at the university, had more than a decade of experience with relevant remote sensing technology. Most recently, he had helped to lead a project sponsored by NASA (the National Aeronautics and Space Administration) that was monitoring changes in forest cover in Central America.

Sader worked closely with the NEFF group over the next year to design a three-tiered monitoring protocol for the Pingree forestlands. The three-leveled, “nested” protocol, as designed, employs (1) satellite imagery, (2) aerial photography, and (3) ground-level inspections to keep track of changes in the forest at a “landscape level.”

As Sader, Ross, and Reed explain in an article on the subject written for professional foresters, the use of level (1) medium spatial resolution satellite (Landsat) imagery “allows the entire easement to be monitored frequently, expediently, and at relatively low cost per unit area.” Using a “simple algorithm for detecting canopy disturbance... changes in forest cover (harvest and regrowth) can be monitored in a time series” and “the location and area of disturbances can be quantified.” Then, higher resolution level (2) monitoring, based on photographs taken during airplane overflights, can be “conducted on high-priority sites,” including those identified through analysis of level (1) images or, alternately, at sites of concern that are too small to be monitored with level (1) technology. Level (3) inspections, which may be efficiently conducted after level (1) and level (2) activities are completed, “are most expensive and for a landscape-scale easement must be planned carefully. Field visits are conducted to verify a high-priority monitoring feature detected at level (1) or (2) or to conduct wildlife habitat and forestry and diversity and structure sampling that cannot be monitored effectively at level (1) or (2).”<sup>106</sup>

To properly implement a monitoring protocol, it is necessary to first compile a detailed set of baseline observations, records, and maps. The task of compiling baseline information is the responsibility of Sherman Small, a NEFCo forester based in Bethel, Maine. Since August 2001, Sherm has diligently identified and mapped landscape features into a detailed Geographic Information System (GIS) database.

That GIS baseline data is now being used in initial trials of the three-tiered monitoring protocol. According to Reed and Sader, early tests of the system have yielded satisfactory results. Using satellite imagery, for example, Sader identified a patch of forest which had been disturbed in an unanticipated fashion. Upon ground inspection, it became apparent the canopy disturbance was related to an allowed use of herbicides on the Pingree property. Communication between the landowner and the monitoring group was conducted efficiently and professionally, giving both sides confidence that the three-tiered protocol was both accurate and workable in day-to-day practice. That is not to say that Seven Islands foresters always enjoy having someone watching their operations in such detail; one of them, described the process as being akin to having a “Star Wars” physical at the doctor’s office.

The protocol continues to be the subject of considerable discussion and review. NEFF held a day-long seminar regarding the protocol for interested foresters in the spring of 2002. Keith Ross, Steve Sader, and Frank Reed presented a second seminar on use of the protocol at the Land Trust Alliance’s October 2002 Rally, held in Austin, Texas. Representatives of public, private, and non-profit organizations have expressed genuine interest in the progress of the monitoring protocol trials, both because of its apparent effectiveness at present, and because of its promising prospects. Should three-tiered landscape monitoring protocols continue to decline in price per acre monitored and increase in observational precision,<sup>107</sup> they may become a welcome “best practice” among easement holders and others that need to efficiently monitor large landscapes over the course of many decades.

As Sader, Ross, and Reed concluded in their 2002 paper in the *Journal of Forestry*, “Remote sensing and spatial analysis are not a monitoring panacea or replacement for field visits; however, they are particularly appropriate tools to assist in monitoring a large landscape-

scale easement. NEFF is in the process of developing a monitoring program that could serve as a model for others in this new age of forestland conservation. As this program is developed, NEFF will continue to provide the forestry community with updates on the success of the program.”<sup>108</sup> Such updates will be eagerly anticipated.

## *7. Epilogue*

With completion of the Pingree Forest Partnership campaign in March 2001, there was only a little time for rest, recuperation and reflection before team members moved on to new projects and the NEFF management structure underwent another set of changes.

Reflection came in several forms. There were, of course, several rounds of congratulatory phone calls from one team member to another across New England. Members of the fundraising team communicated their thoughts to NEFF staff and directors in some detail regarding the “unorthodox” Pingree campaign. And, as mentioned above, there were some reflections on the project offered to the United States Senate Finance Committee. Senator Baucus of Montana, Senator Grassley of Iowa, and Senator Snowe of Maine, among others, heard testimony on June 12, 2001 from several sources on the importance of conservation on private lands for public benefit. With a congratulatory introduction from Senator Snowe, Steve Schley, President of Pingree Associates, strongly urged the Senate to consider conservation tax incentives that could be “vitally important to future landowner consideration of projects like ours.” During his testimony, Schley offered high praise for NEFF’s efforts in the Pingree Forest Partnership deal: “We picked the perfect partner for our transaction... NEFF worked with our needs, abandoned traditional easement trappings and together we crafted a project that protects some of Maine’s finest natural resources forever.”<sup>109</sup> Schley has continued to speak highly of NEFF in other forums. A recent NEFF report quotes him as follows: “I’d been told that negotiating an easement could be a bruising ordeal. Choosing to work with NEFF was one of the best decisions we ever made.”<sup>110</sup>

Meanwhile, projects proceeded, both at NEFF and in other organizations, that used experience gained during the Pingree effort as a springboard. Over the course of 2001 and 2002, Keith Ross, in his position at NEFF as Director of Land Protection Programs, focused increasing amounts of his attention on the Downeast Lakes project. The Downeast Lakes project, like the Pingree effort, is an initiative to protect from development a landscape measured in the hundreds of thousands of acres. The Downeast project is designed to conserve a total of 342,000 acres of forestland strategically positioned between large-scale conserved landscapes in New Brunswick, Canada, and on a mosaic of federal, state and tribal lands in Maine. Considered together, the connected landscapes in Maine and New Brunswick, when conserved, would comprise about “one million acres of essentially uninterrupted habitat across an international boundary.”<sup>111</sup>

Elsewhere in Maine, other large projects intended to conserve the working forest were being consummated or pursued. On August 22, 2002, the Nature Conservancy (TNC) announced that it had closed a deal with Great Northern Paper in which TNC would purchase some \$50

million in existing loans to Great Northern, retiring \$14 million and refinancing the balance at “very competitive rates.”<sup>112</sup> In exchange, Great Northern placed a conservation easement, reportedly similar in several respects to the Pingree easement, on 200,000 acres of Great Northern forestland. As part of the deal, TNC also took fee ownership of 41,000 acres of Great Northern land around the Debsconeag Lakes near Baxter State Park in Maine.

In another large-scale forestland conservation project whose history has been informed by experience gained on the Pingree project as well as the Niatous Lake deal (see Section 6.2), the Forest Society of Maine is racing in mid-2003 to complete its West Branch Project, a 329,000 acre conservation effort which is relying on state and federal funds for more than half of its fundraising goal (i.e., towards a \$34 million fundraising goal, the project is reported to have commitments for \$1 million of Land for Maine’s Future funding from the state, and more than \$19 million in federal Forest Legacy program funding). While similar to the Pingree project in scale and general purpose, the West Branch deal includes a number of provisions distinct from those written into the Pingree deal. The West Branch easement document, for example, includes specific provisions, called for during public debate of the proposed deal, requiring “a sustainable harvesting plan.”<sup>113</sup> Accordingly, the price per acre for the easement is about \$103 per acre.

The scale and scope of the Pingree project has helped to inspire a landscape-scale forestland conservation project in the Pacific Northwest. On November 14, 2002, the Potlatch Corporation and the Trust for Public Land (TPL) announced an agreement to preserve 600,000 acres of western forests from development. TPL and Potlatch intend to raise about \$40 million to finance the deal. Rather than having the conservation easement for the project being held by a non-profit organization such as NEFF, “the easements will be held by the state of Idaho under the provisions of the USDA Forest Legacy Program.” Like the Pingree deal, the Potlatch effort will benefit from the support of key politicians, including Idaho Governor Dirk Kempthorne and U.S. Senator Larry Craig. Senator Craig, for example, is quoted by the press, explaining that the deal keeps “lands in private, productive ownership while assuring the many public values, including access, are retained... I will work to... secure funding to successfully implement this project.”<sup>114</sup>

Additional aspects of the Pingree project are gaining widespread attention. The still-evolving monitoring protocol, described in Section 6.10, is of interest to foresters in the United States and abroad: the U.S. Forest Service in 2003 awarded NEFF a \$100,000 grant to test the protocol on three new sites in the northeast United States, and multilateral lending agencies are keeping track of progress on the protocol for possible use in the developing world in years ahead. Furthermore, land trusts and nature organizations from Latin America to the Middle East are reviewing information on the Pingree project, hoping to find lessons learned over the course of the effort that can inform their own initiatives.

Even as work on new projects proceeded, NEFF’s management structure continued to evolve. With the Pingree project under its belt, NEFF’s board of directors launched a search for a new Executive Director who could build on the organization’s strengths, as well as its new visibility. After an extensive process conducted by a professional search firm, Amos Eno, who had played a leadership role in bringing public sector funds for the Pingree project,



was named to the post. As explained in the summer of 2002 by David Kittredge, Vice President of NEFF's Board of Directors and chair of the Search Committee, "With the completion of the nation's largest conservation easement, the Pingree Forest Partnership, and with Amos at the helm, NEFF is poised to provide conservation leadership region-wide, as states grapple with the challenges of major changes in land ownership."<sup>115</sup>

Eno was quick to reassure NEFF supporters that he would address the challenges facing the organization by building on a firm foundation. "My vision of NEFF," he said in a talk he gave to the NEFF Annual Meeting held in June 2002, "is consistent with the directions and programs the board and staff have embarked on in recent years. However, the infrastructure and capacity of NEFF are not nearly as robust as its vision and appetite for projects, and the opportunity to dominate a critical niche market for forest conservation. That is my job: to put meat on NEFF's bones. I can't do this myself; we all need to be in harness to pull the NEFF wagon... To that end, I've asked Tim Storrow to serve as my Deputy. Keith [Ross] will continue his brilliant role as Director of Land Protection Programs, and Charlie Thompson will be director of ... community forests."<sup>116</sup>

Despite such plans, however, by May 2003 both Charlie Thompson and Keith Ross had agreed to part ways with NEFF. Thompson left to work on a variety of writing projects and forestry education initiatives. And, as explained by Amos Eno in NEFF's newsletter, *New England Forests*, "after a nine-year run of precedent-setting projects, Keith Ross is leaving NEFF to embark on the next phase of his conservation career. He plans to establish an investment firm that will focus on long-term sustainable forestry... Keith brought NEFF to the forefront of New England conservation initiatives, and established a record without peer. During his tenure, NEFF protected over 806,000 acres!"<sup>117</sup>

Indeed, Ross did leave NEFF with plans to form a new sort of forest conservation entity similar to a real estate investment trust, and to tackle new assignments as an independent conservation consultant and forestry investment advisor. While the parting was amicable, Ross has explained in conversation that he and senior management did not see eye-to-eye on organizational style, and that it was not easy for him to let go of projects that he had worked so hard on, such as the development of the Pingree monitoring protocol and the Downeast Lakes Partnership. But he also was determined to keep his focus on the work ahead, as were Amos Eno and Tim Storrow, who were in position to lead NEFF into the future.

## *8. Critiques of the Pingree Project*

The prior sections of this paper have presented a narrative of the Pingree project, offering both background and interpretation of the principal events and circumstances that are relevant to the case. The following sections offer an evaluation of the case, considering, in sequence, critiques of the project, key factors in the project's success, and how the project compares against a set of criteria used to identify "important conservation innovations."

### ***8.1. No Real Urgency: “Why now?”***

One of the initial criticisms of the Pingree Forest Partnership, leveled by individuals such as Jonathan Carter and Jym St. Pierre, was that there really was no urgency in putting a development easement on the Pingree land, given the fact the Pingrees had already stated their preference not to develop the land. As pointed out in Section 6.4 of this paper, Carter argued that the Pingrees were “getting \$28 million for not doing anything more than they're already doing...”<sup>118</sup>

The Pingree Forest Partnership team commissioned a paper by Land and Water Conservation Associates<sup>119</sup> that offers some compelling statistics regarding the development of the woods in northern Maine. The statistics bolster the argument that growing pressure was and is being put on the Pingree family which, over time, might lead them to consider the development of their land in the near future, particularly on lake frontage. Consider the following.

- Demand for permission to build in Maine’s unincorporated townships (unincorporated lands not under the jurisdiction of a Maine town or city) is growing at historic proportions. Permits approved by the Land Use Regulatory Commission (LURC) that oversees the issuance of such permits increased dramatically during the 1990s. Between 1971 and 1991, a twenty year period, LURC approved 6,936 permits for development and 363 zoning petitions for changes to development zones (an average of 347 permits per year). In contrast, during the more recent span between 1992 and 1998, a six year period, LURC approved 8,498 such permits (an average of 1,416 permits per year, more than four times the annual permit average recorded for the prior twenty year period).<sup>120</sup>
- Demographic trends and rising personal wealth trends indicate that demand for lakefront property may well continue to climb. The demographic bulge known as the “baby boom” will reach retirement age in the first several decades of the twenty-first century, and many of them now live within a day’s drive of the Maine north woods (some 70 million North Americans of all ages were estimated, in the late 1990s, to live within a days drive of the Maine north woods). Some proportion of that group is likely to seek second home opportunities in rural Maine, if such second home opportunities are available.
- The Pingree property proposed to be put under easement includes a number of exceptional resources that might be vulnerable to development, including 18 lakes found to have “outstanding significance” and 28 other lakes found to have “significant values.” Given that there is already a large number of Pingree heirs, some of whom seek ready financial resources, the temptation to sell off some of that land for millions of dollars to ready and willing buyers may become significantly more compelling over time.

Market data available in 2003, three years after the Land & Water Associates paper was published in January 2000, appear to bear out the predicted trends. Perhaps stimulated by the tragic events of September 11, 2001, and the strengthened desire of some city dwellers to have a remote second home on a supersized lot that they might pass on to their children (a so-called “kingdom lot”), the market for recreational land in Maine remains strong. To cite just one example, LandVest advertised in the back of the July 2003 issue of *Down East Magazine* a 25,531 acre parcel “with splendid amenities” that surrounds Loon Lake and Caucomgomoc Lake in the region west of Baxter State Park.<sup>121</sup> The reported asking price for the parcel is \$15 million, or about \$587 per acre. According to an article by Jeff Clark in the same issue of the magazine, the land was priced “not for its timber value, but as a kingdom lot.”<sup>122</sup>

In short, the market demand appears to be strong and growing for recreation-oriented lakefront property, as well as land in the woods that is nearby open water. This is true even in what had been, in decades past, relatively remote parts of the state. Such market demand makes increasingly urgent the task of conservationists who hope to preserve the working forest and wilderness in the Maine north woods.

## ***8.2. Not the Best Use of Resources: “There isn’t enough money to go around”***

A second criticism leveled at the Pingree project is based on two ideas: first, that there are only limited numbers of dollars available from individuals, foundations, corporate donors and public agencies to fund conservation projects in a given region at a given time, and second, that highly publicized projects like the Pingree Forest Partnership have the potential to crowd out other worthy projects for a large portion of the limited pool of dollars. Such a critique is part of the rationale used by various conservationists who had “heated” discussions with the Sudbury Foundation regarding its early decision to fund the Pingree project, as discussed in Section 6.5 of this paper. These conservationists had reportedly hoped to see Sudbury, which had an expressed interest in conservation in the Northern Forest, devote more of its time, interest and financial resources to other initiatives.

The critique is, at least in part, valid. The conservation community is, in some respects, like an industry. There is a wide range of projects, and project proponents, “in the market” at any given time seeking funding from foundation, individual, corporate and public sector sources that have an expressed interest in protecting undeveloped land. The projects competing for funding are typically sponsored by a variety of organizations: some are well established, with long track records of success; others are just getting their feet wet. The projects in the market at any given time typically have a wide variety of aims, including but not limited to: wilderness protection, wildlife habitat protection, passive or active recreation, watershed protection, and the protection of working landscapes, including farms, rangeland, and forests. Ultimately, grants are awarded based on many factors, including the project’s purposes, the track record and reputation of its proposers, and relative project costs. Some projects are fully funded and have lasting impact; other insufficiently funded initiatives are not completed and fade away. As in many other arenas of life in North America in the late twentieth and early twenty-first centuries, there is an active market, and the market has a very powerful voice in determining the fate of any given initiative. The Pingree project had a compelling offering in

the market, and with some adaptation in its fundraising strategy over time, succeeded in meeting its fundraising goals. Many other projects and proposals, such as the proposal to create a 3.2 million acre national park in the Maine woods, in part seeded with funds from private philanthropies, were not as yet successful the late 1990s (it is important to note, however, that as of 2003 the park idea continues to have enthusiastic advocates).

It is not sufficient, however, to simply state that there are some winners and some losers in the contest for a limited pool of dollars. Consider that new ideas, new services, and new products have, in a wide spectrum of industries, shown the capacity not just to gain share in a static market, but actually to expand the size of the market available to all competitors.

As Amos Eno pointed out in his white paper for the Pingree Forest Partnership, the Pingree project can be characterized as a disruptive innovation in the field of conservation. A “disruptive innovation” (a term coined by Clayton Christensen of the Harvard Business School), can reshuffle industries and fields of endeavor by offering end-users “products and services that are better, faster, and more convenient than ever before.” Disruptive technologies and processes, in redefining how a group of suppliers brings goods and services to market, can “create major new growth in the industries they penetrate – even when they cause traditionally entrenched firms to fail – by allowing [new groups of] ... people to do things previously done only by expensive specialists in centralized, inconvenient locations.”<sup>123</sup>

In actuality, the Pingree project is perhaps a pre-eminent, but not the only, large scale project that has helped to “change the game” for the New England conservation community. Other such large scale projects include: the Champion lands project spearheaded by the Conservation Fund and the Forestland Group that, in 1998, through easements and fee purchases, helped to protect some 300,000 acres of land in New York, Vermont and Maine;<sup>124</sup> the Nature Conservancy’s 185,000 acre St. John project completed at about the same time as the Pingree project; the Connecticut Headwaters project, completed in 2002 by a number of organizations including the State of New Hampshire, Lyme Timber Company, the Trust for Public Land, Society for the Protection of New Hampshire Forests, and the Nature Conservancy to protect 171,500 acres of forestland in northern New Hampshire;<sup>125</sup> and the Forest Society of Maine’s West Branch project discussed above, which is racing to meet its \$34 million fundraising goal by the end of 2003. By demonstrating that small, regional non-profit conservation organizations such as NEFF and the Forest Society of Maine, as well as the more established Maine Chapter of the Nature Conservancy, the Trust for Public Land, and the Conservation Fund, can operate serious campaigns in conjunction with private sector organizations such as the Forestland Group and Lyme Timber to complete easement deals on hundreds of thousands of acres of land, these projects have sent a new set of expectations and ambitions rippling through the Maine conservation community. “At this scale, it’s a whole new era,”<sup>126</sup> commented Kent Womack of the Nature Conservancy’s Maine Chapter in the year 2000.

The impression that the volume and scale of deals has expanded in recent years has carried through even the post-9/11 recession. In 2003 Jay Espy of the Maine Coast Heritage Trust

explained: “I don’t think we or anyone else anticipated that landowners would be coming to the conservation community with the volume and size of projects that we’ve seen... We’ve already seen some tremendous opportunities and some tremendous successes, such as the Nature Conservancy buying the St. John river lands.... We went from no one paying attention to what was happening up there to everyone all of a sudden getting involved... [In addition to the Forest Society of Maine], you’ve got the Nature Conservancy, the New England Forestry Foundation, various land trusts, all sorts of different players.”<sup>127</sup>

In effect, NEFF’s Pingree project, the Nature Conservancy’s St. John project, the West Branch project, the Champion project in New York, Vermont and Maine, and other projects like them that are now or will soon come into the market, have expanded both the ambitions of New England conservation organizations and attracted fresh and relatively large sources of philanthropy and public capital. They have essentially “expanded the pie,” in the process advancing efforts to protect the Northern Forest from development.

### ***8.3. The Public Interest Could Be Better Represented: “It should be a park”***

Conservation projects often succeed or fail based not only on the success of fundraising efforts from non-governmental sources, but also because of political factors and related decisions regarding the disposition of public funds. By 2000, Jym St. Pierre was able to point to powerful evidence to bolster his claim that “what the public wants is wilderness, big wilderness.” A public opinion poll funded by the Sierra Club found that of the 500 people asked, 62.5% gave positive responses to the following question: “Some people have proposed creating a 3 million acre national park in Maine’s north woods. On the basis of what you know now, do you think you would favor or oppose the proposal for a national park?”<sup>128</sup> Follow-up polls came up with similar results, encouraging advocates of the Maine Woods National Park that their proposal might make progress in public forums.

Nevertheless, many Mainers who enjoy hunting, fishing, and snowmobiling did not want to see a new federal wilderness area or national park established in the center of their state, and they let their views be known through lobbyists such as George Smith of the Sportsman’s Alliance of Maine.<sup>129</sup> To further emphasize their point of view, land owners, local politicians and others in key tourist towns such as Greenville, Maine have taken steps to organize their own associations to oppose initiatives to create national parks in the area.<sup>130</sup>

Politicians such as Angus King were able to discern the diversity of opinions among their various constituencies. Governor King, an Independent not affiliated with the Republican or Democratic parties, has not been a fan of the park idea, in part due to his concerns regarding “the imposition of federal bureaucracy that a national park would bring.”<sup>131</sup> In contrast, he has been willing to lend his name to non-governmental fundraising efforts for the Pingree project, in part because he saw it as a way both to conserve part of Maine’s traditional forestry-based economy as well as the state’s natural heritage.

Furthermore, in the context of the public debate regarding ongoing changes in the Northern Forest, Susan Collins and Olympia Snowe, Maine's two Republican United States Senators, went on the record in support of public funding for the Pingree project via the National Fish and Wildlife Foundation. Snowe, for example, in public hearings held after the Pingree project was completed, praised the effort as "an appropriate example of how we can best go about land conservation."<sup>132</sup> The support of Maine's political leadership for easement projects on private land continued into 2003, when the newly elected Democratic governor of Maine, John Baldacci, lent his support to the Downeast Lakes project spearheaded by NEFF. The project aims to acquire an easement on 312,000 acres of working forestland in Maine, as well complete the purchase of a 27,000 acre forest around Grand Lake Stream.<sup>133</sup>

As St. Pierre and others point out, the completion of easement deals is not necessarily an ultimate impediment to the establishment of conservation areas owned and managed by the state or federal governments.<sup>134</sup> And the two goals of wilderness protection and the conservation of the working landscape are not mutually exclusive. But if the history of the past several years is any indication, political leadership from the state of Maine will continue, at least in the near term, to support the purchase of relatively large conservation easements on private land. In contrast, they may limit their endorsements for the fee purchase of undeveloped lands by public agencies to much more modestly sized parcels.<sup>135</sup>

#### ***8.4. The Easement Is Either Too Loose or Too Tight***

Another variation of the criticism of the Pingree project is that the easement language used by NEFF is either too loose, or alternatively, too tight. Observers that are supportive of the Forest Stewardship Council forestry standards have argued that NEFF should have required the Pingrees to guarantee, rather than simply state their intent, to use FSC or similar standards in the future. Peter Stein has commented, in response, that a promise to use a particular standard in perpetuity may prove awkward in the future, when new forestry research and field practice may show us an entirely different, and perhaps more appropriate, way to go forward. And, in any case, foresters active on the Pingree lands will be obliged to abide by any changes in applicable state and federal laws and regulations.

On balance, both with regard to forestry practice and public access issue, it appears to several independent observers that, judged on its own merits and the price per acre paid, the Pingree easement is a fair deal. David Publicover, a forester with the Appalachian Mountain Club, was interviewed on the subject by a news reporter. "A question people must ask, [Publicover] said, is 'will it work in harmony to hold this northern landscape together. Is the landscape better off? I'd say yes.'"<sup>136</sup>

It is important to note that, while some critiques of the Pingree project argue that the restrictions on the forest land are too loose, another set of commentators from the property rights movement characterize the Pingree project as being overly restrictive, labeling the initiative "the plan from hell." An observer publishing an Internet newsletter out of Bangor, Maine, made the following comment.

While the Pingree family has a right to do with their land as they see fit (within common law), the deck was stacked against them from the start... They are the victims of a multimillion dollar campaign by the private globalist foundations and environmental groups to find a way to control the mostly private forest land of New England... Perhaps the most sinister part of the easement is the language used in the restrictions on conducting forestry activities on the land... Even if the New England Forestry Foundation would never do so now, it is a common practice for such organizations to be taken over by zealots with an agenda, who will then take the family to court because their harvesting practices are in some way not “sustainable” or harming the “ecological, aesthetic, wildlife and other non-timber values.” Eventually, harvesting will become so expensive as to become prohibitive, and to avoid paying property taxes on worthless land, the future Pingree heirs will simply have to deed the property over to the state or federal government.<sup>137</sup>

In actuality, the Pingrees, rather than being the victims of a stealthy campaign by nefarious interests, have shown themselves to be thoughtful leaders in the use of Forest Stewardship Council and Sustainable Forestry Institute standards on their forestland. They have done so in the tradition of thoughtful, careful forestry on the property first established by David Pingree and his son more than a century ago.

As evidenced by the Pingree’s track record of repeated, voluntary SCS and FSI certifications throughout the 1990s, including substantial improvement in FSC numerical rankings over time (see Section 5), it appears to be the Pingree family’s genuine intent, and to be in the family’s best interests, to pursue continuous improvements in their operations, keeping the forest healthy and productive for many generations to come. The easement, as it is written, is likely to allow them to do so. What is unclear at this time is the extent to which operations on the Pingree lands may work in concert with operations on lands owned and managed by others to achieve common objectives.

The family has reasonable discretion to continue to make appropriate forestry decisions on its own land. If desired by the family and in exchange for appropriate compensation, further layers of restrictions or management practice guidelines can be applied to the landscape over time.

#### ***8.5. Management Will Be Difficult: “How will you keep track of it?”***

A fifth critique of the Pingree easement is that, because it covers so much land, over such a dispersed area, it would be difficult for any organization, let alone the relatively small New England Forestry Foundation, to consistently monitor and enforce the provisions of the easement agreement. Conversations with land managers from much larger organizations indicate that many easements that have been on their books for decades still do not have reliable baseline records, let alone histories of diligent year-to-year monitoring of land and forest resources necessary for comprehensive monitoring purposes.

NEFF's response to the monitoring challenge is threefold. First, NEFF managers note that they have Pingree Associates and Seven Islands as reliable landowners and land managers associated with the landscape. Pingree Associates and Seven Islands have been open to any questions from NEFF, and have shared with NEFF valuable information that they maintain, such as annual series of aerial photographs taken of the land. Such open exchange greatly facilitates the process of easement management.

Second, from the outset of the Pingree Forest Partnership fundraising effort, NEFF set the goal of raising a \$1 million endowment that would be dedicated to the ongoing monitoring and enforcement of the Pingree easement. Now that the easement monitoring and enforcement money has been raised and set aside, NEFF will be able to count on the availability of around \$50,000 per year (assuming a 5% interest rate on the money) to be used for such purposes. While not without precedent, the decision from the outset to set aside an easement monitoring fund showed considerable foresight on NEFF's part.

Third, NEFF is hoping to see ongoing progress in improving the technical and cost effectiveness of the three-tiered monitoring protocol which it is developing with Steve Sader from the University of Maine, described in section 6.10 of this essay. Should the protocol prove both to be practical and relatively inexpensive, its utility may go well beyond its use by NEFF. Such a protocol, or an offspring of it, may well be adopted by others also faced with the challenge of monitoring expansive landscapes, including public, private and non-profit organizations in the United States and internationally.

## *9. Key Factors for Success*

The following section is intended to offer concise consideration of the several factors which appear to be most closely associated with the success of the Pingree Forest Partnership. Please note that the structure for assessing such "key factors for success" in conservation initiatives was laid out in an earlier paper prepared by Charles H.W. Foster and James Levitt. Foster and Levitt formulated their ideas on the subject in conjunction with a course module they co-taught at Harvard's Kennedy School of Government on "Innovation and Entrepreneurship for Conservation and the Environment."<sup>138</sup>

### *9.1. Timing*

The Pingree Forest Partnership campaign benefited greatly from its fortuitous timing. The timing of the effort worked well both from a financial market and a policy point of view. With regard to financial markets, the actual fundraising campaign was planned and executed between 1998 and the end of 2000, just as global stock markets were setting historic highs associated with the "Internet bubble." NASDAQ index levels soared from around 1,500 at the beginning of 1998 to over 4,000 near the end of 2000. The Dow Jones Industrial Average, a somewhat less volatile market indicator, went from about 8,000 in early 1998 to



above 11,000 towards the end of 2000. With rapidly rising stock prices, individuals and foundations generally felt that they were in excellent financial health, and were accordingly willing to make relatively large commitments to a wide range of philanthropic projects, including the Pingree project.

From a policy perspective, the Pingree project emerged into public discussion in the context of a nearly decade-long debate over the fate of the Northern Forest. Advocates of the Maine Woods National Park were gaining significant publicity for their own proposal around the time that the Pingree project was announced. As a landscape-scale initiative that aimed to protect working forests as well as biodiversity and recreational values, the Pingree project stood out at that time as an appealing alternative to proposals for large new national parks in Maine.<sup>139</sup>

## 9.2. Leadership

The Pingree project enjoyed outstanding leadership as it was being conceived and executed. Without such leadership, NEFF would have had no reason to believe that, as a small regional conservation organization, it could pull off such a complex, large-scale endeavor. Key leadership was provided by the following individuals.

- Bill King, who stepped in to help rethink NEFF's vision and strategy in the 1980s and 1990s, set the stage for the organization's involvement in the largest conservation easement deal in American history.
- Keith Ross, "the heart and soul" of the project according to his associates, acted as a classic entrepreneur throughout the Pingree initiative. His career path prior to coming to NEFF afforded him the opportunities to build a suite of skills as a land use planner, forester, negotiator, fund raiser, visionary, and team leader that became essential at various times during the Pingree project. He showed persistent, tactful, and focused dedication to his task in nurturing the very early discussions regarding the possibilities for a conservation easement with the Pingree family. And his never-ending attention to the Pingree Forest Partnership's fundraising work, as well as his well-honed sense of humor, was the superglue that helped to hold the virtual team together. Like many other entrepreneurs, however, Ross found it difficult to let go of his brainchild when a new generation of managers stepped in.
- Bayard Henry, along with Frank Hatch and Wil Merck, were the *sine qua non* (translates as "without which, not,") for Pingree project fundraising. Their leadership in efforts to raise capital and operating funds from individuals, families and some of the foundations which came to the support of the project was indeed essential. Henry and his fellow volunteers, themselves quick to downplay their importance to the campaign, provided energy, personal connections and *gravitas* that were of tremendous importance to the large donors that provided the bulk of the \$32 million eventually raised.

- Amos Eno stepped in with considerable self-confidence and vigor to lead the charge in raising money from public sector sources for the project. He has subsequently taken over as NEFF’s Executive Director. It is up to Eno and Deputy Director Tim Storrow to follow through on the implementation of the Pingree monitoring protocol, an effort that will be central to fulfilling the long-term promise of the initiative.

### ***9.3. Organization***

As noted in the narrative section of this paper, NEFF’s organizational strategy for the Pingree Forest Partnership was somewhat “unorthodox,” at least in the field of conservation. Keith Ross, Frank Reed, and Peter Stein succeeded in assembling and tightly knitting together a “virtual” team for the project, relying on electronic communications networks in many cases to allow specialized professionals to pitch in at the appropriate time with necessary skills. While such an approach may be more common in the business world (for example, such arrangements are commonplace among management consultants and engineers), large projects in the field of conservation are typically handed by larger organizations that are able to call on substantially larger and physically centralized in-house talent pools.

The organizational strategy served NEFF well in two ways. First, as noted by Elizabeth Swain, the Pingree Forest Partnership was able to attract “a New England Dream Team” of conservationists. Many highly respected conservation professionals made themselves available for the project in part because of the likeable and well-respected personalities involved, and in part because of the very large scale and high visibility of the project.

Second, as noted earlier, the arrangement allowed NEFF to avoid high fixed costs that would have been associated with hiring a full-time staff. Now that the Pingree project fundraising has been completed, NEFF has generally been able to realign its relatively lean staff to address current priorities.

### ***9.4. Resource Model and Value Proposition***

Every organism and every organization needs a variety of resources over time to sustain life. For long-lived, salary-paying organizations, money is one of those critical resources. A successful organization, and most successful initiatives within organizations, need an effective “resource model” (also known as a “business model” or “business design”) — essentially, a method of doing business — that will allow it to attract sufficient financial resources over time.

At the core of nearly every resource or business model is an attractive “value proposition.” As defined by Eric Almquist and Adrian Slywotski, a “value proposition” is “a product, service or combination of products and services that offer some value for a price.”<sup>140</sup> Relatively attractive value propositions that offer comparatively good value succeed in attracting customers, or, in the foundation world, philanthropic support. Relatively unattractive value propositions are not as fortunate.

Like Henry Ford and his Model T, Keith Ross and his team put together an effective business model and a highly attractive value proposition. Henry Ford's business model was based on mass production of a standardized unit of output — a Model T Ford — which could be sold to the public at a relatively low cost per unit. While far from luxurious, the car did its job, providing basic transportation at a relatively affordable price. The product was a huge success, helping to launch the modern automobile industry.

Similarly, Keith Ross, working with the Pingree family, put together an effective resource model based on the negotiation of an easement option. Based on that option, the Pingree Forest Partnership put together a very attractive value proposition for potential philanthropic supporters, offering protected acres of forest landscape at the relatively low cost per unit of production (i.e., per acre of land protected) of \$37.10. The relatively inexpensive protected acres, while not coming with all of the features that more expensive protected acres might provide, did present a bundle of goods and services that were valued by the project's philanthropic sponsors. Such goods and services included: a promise to maintain in perpetuity forestland in northern Maine that will not be disrupted by residential or commercial development; the production of wood that can be improved and sold by local forest products companies; the provision of wildlife habitat and recreational opportunities; the provision of fresh water and clean air; the ongoing stewardship of an collection of forestlands collectively larger than the state of Rhode Island; and the pleasure of participating in a very large scale, nationally significant and precedent-setting initiative. With such an attractive value proposition, the team succeeded in consummating the largest conservation easement in American history.

Note, however, that successful value propositions typically have lifecycles. While cars in general have remained popular for more than a century, the Model T went out of style less than twenty years after it was first produced.<sup>141</sup> The Pingree Forest Partnership team was successful in efforts to “sell” its value proposition to key donors who saw an opportunity to “make something really significant happen.” It now remains to be seen how long that value proposition will remain attractive as key elements of new landscape scale conservation initiatives.

### ***9.5. Competitive/Cooperative Positioning***

In revising its organizational strategy in the early 1990s, NEFF sought to reposition itself as a leader, rather than as a less prominent player, in the protection of New England forests. As described in Section 5 above, a great deal of controversy was generated, even within NEFF, by the decision to reposition the organization, in part by maintaining active membership in the Northern Forest Alliance and advocating a private-sector-oriented point of view in NFA forums.

Regarding the Pingree Forest Partnership campaign, it turned out that the repositioning was quite productive. Important donors such as the Sudbury Foundation and the Merck Family Fund were attracted to the repositioned NEFF. They worked enthusiastically with NEFF to

help set a precedent, proving that large private forestry projects could play an important role in the protection of the Northern Forest. NEFF, in effect, became a significant competitor of other non-profit initiatives working to raise money for their own land protection efforts in the Northern Forest (e.g., the effort by *Restore: The North Woods* to establish a 3.2 million acre National Park in northern Maine). As Amos Eno likes to point out, NEFF's approach was a "disruptive" initiative in the field of land conservation, offering a fully scaled-up counterpoint to the sometimes more restrictive land protection approaches of many public and non-profit organizations in the field.

It is not sufficient, however, to characterize the relationships between various conservation organizations as simply "competitive." The member organizations of the Northern Forest Alliance, of course, cooperated directly with one another in advancing the NFA's general agenda. In addition, various organizations engaged in what game theorists sometimes call "co-opetition" with one another, both competing and cooperating with one another under slightly different circumstances.<sup>142</sup>

The Pingree project narrative offers an exemplary case of co-opetition. In 1998 and 1999, the New England Forestry Foundation's Pingree project and the Nature Conservancy's St. John project competed with one another for funding from various foundations, including the Sudbury Foundation and the John Merck Fund. While the Sudbury and John Merck foundations each helped to fund both projects, other sources of philanthropic resources chose to fund one initiative or the other.

The largely competitive relationship between NEFF and TNC became more cooperative over time. By the last half of 2000, it was apparent that TNC would be able to raise the \$35 million it sought for the St. John Project, and then some.<sup>143</sup> At the same time, NEFF was still working hard to raise the entire \$32 million it sought to pay for the easement, monitoring fund and fundraising costs of the Pingree project. As described in Section 6.8 above, at the urging of a donor, NEFF, TNC, and Pingree Associates found a win-win-win situation in which they could work together to provide additional protection to the St. John landscape and put the Pingree Forest Partnership closer to its goal. By successfully collaborating with one another in such a fashion, the various interests groups found a way to join hands in the interest of protecting the northern forest from development.

## ***9.6. Adaptability***

Without question, NEFF and the Pingree Forest Partnership showed a great deal of adaptability over time. The draft easement was worked and reworked for two years before being presented to the wider conservation community. Once presented, it was reworked again in 1999 to improve its clarity. The team working to raise the necessary funds was reconfigured several times, as was the fundraising strategy with the decision to solicit support from public sector organizations. Even the scope of the deal was revised with the inauguration of serious discussion between the Pingree team and the Nature Conservancy regarding the St. John River corridor.

It was suggested by several of the individuals involved that such flexibility was in part attributable to Keith Ross' personal style. By keeping his sense of humor, and being open to the opinions of others, Ross was able to steer the project through a number of important shifts in direction.

Without such a flexible and adaptive strategy, the deal may have never reached a successful conclusion. What is remarkable is that with continued changes in team membership, approach and strategy, the volunteers and professional staff working together on the project remained cohesive and enthusiastic about reaching the campaign goal.

## 10. *The Pingree Project as an Important Conservation Innovation*

The purpose of this final section of this paper is to offer an assessment of the Pingree project as a conservation innovation. The assessment, informed by scholarship and awards selection processes carried out at Harvard's Kennedy School of Government over nearly two decades, considers five key criteria for innovations in the public interest.

- *Novelty*, to the degree that the innovation demonstrates a spark of creativity
- *Significance*, to the degree that it addresses an issue of public concern
- *Effectiveness*, to the degree that it delivers tangible, quantifiable results
- *Transferability*, to the degree that it can be replicated by other organizations, and
- *Ability to Endure*, to the degree that it has demonstrated, or shows strong promise of demonstrating, the ability to make a lasting impact over the course of several decades or human generations.

These five criteria have been used recently by the author to identify historic conservation innovations — called *landmark conservation innovations* — that have made lasting marks in the United States and around the world on landscapes, on national atlases and on the practice of conservation.<sup>144</sup>

An exemplary *landmark conservation innovation* is the creation of the world's first national park at Yellowstone in 1872, and the subsequent blossoming of the national park movement in nearly every nation of the world. National parks were *novel* on a worldwide basis in administrative form and in purpose when first established; they were politically *significant* in post-Civil War America, and continue to hold great political significance today in the U.S., as well as in such diverse nations as China and the Ivory Coast; the national park idea has had great and measurable *effectiveness*, with more than a billion acres of national parks created in the world over the span of about two human lifetimes; the national park idea has been *transferred* successfully to nearly every state in the US and every nation in the world by the early twenty-first century; and the lasting impact of the idea over the past 130 years evidences the innovation's *ability to endure*.<sup>145</sup>

Conservation innovation is a process which Americans can trace to the 1630s and 1640s, when, under the leadership of John Winthrop, the freemen of the Massachusetts Bay Company taxed themselves to purchase the land which was designated as the Boston Common, and then passed a series of ordinances to prohibit the building of houses on that land.<sup>146</sup>

The process of conservation innovation continues to this day, as men and women around the globe work to advance the practice of conservation, inventing new and notable ways to conduct conservation science, education, advocacy, resource protection, and stewardship. Conservation innovations coming to light in the early twenty-first century are not yet likely to qualify at present as *landmark conservation innovations*, as they have not yet had sufficient time to be widely transferred or demonstrate the ability to endure over the course of decades. Such more recent initiatives are more appropriately characterized as *important conservation innovations*, marked by *novelty*, *significance*, and measurable *effectiveness*, and also showing some promise of being widely *transferred* and having an *ability to endure*, making a lasting impact over the course of decades and human generations. The Pingree project, in the opinion of the author, is such an *important conservation innovation*, as discussed below.

### ***10.1. Novelty***

There are several novel aspects to the Pingree project, clearly demonstrating that a good deal of creative thought went into the effort. First, the Pingree Forest Partnership offered funders a novel value proposition for their money. Elements of that value proposition included the following: the project, finally encompassing more than 762,000 acres, was the largest private conservation easement deal ever offered in American history; it was offered at a notably modest price of \$37.10 per acre; it was intentionally designed to protect only a limited set of attributes on private land (primarily restricting development rights, without imposing access rights or adherence to any specific forestry certification regime); and, in the context of ongoing debates about the northern forest, the project offered funders an opportunity to set a highly visible precedent regarding the conservation of working forests. In combination, these elements of the Pingree project's value proposition made the initiative both distinctive and attractive to potential funders.

Second, the Pingree project, in its unorthodox execution, relied on a virtual team of consultants spread out through New England, rather than the more traditional reliance on an in-house staff that might be available to larger conservation organizations. Relying heavily on e-mail and telephones to keep the team in contact, the organizational form worked reasonably well, all the while keeping NEFF's fixed costs related to the project at a relatively low level.

Third, through the continued endorsements by Maine Governor Angus King and the contribution of great volumes of news and public service air time provided by the New England Cable News, the Pingree project benefited from an uncommon media presence. The media presence provided a subtle but important boost to fundraising efforts.

Fourth, the Pingree project continues to benefit from a three-tiered monitoring protocol largely developed by Steve Sader at the University of Maine. While similar protocols have been used somewhat effectively on projects in Central America that were funded by large governmental organizations, the protocol's use on the Pingree project marks the first time such a practice has been employed by a non-profit organization for the purpose of monitoring and enforcing a conservation easement on private land.

### ***10.2. Significance***

The significance of the project as an issue of broad public concern was evidenced by the activities of both supporters and by critics of the project. As noted above, the Governor of Maine, as well as the state's delegation in the U.S. Congress, were highly visible supporters of the effort, with Angus King comparing the Pingree project to former Governor Percival Baxter's donation of Baxter State Park to the people of Maine. Opposition or criticism of the project by individuals such as Jonathan Carter also underscored the Pingree Forest Partnership's significance. Indeed, some supporters of the project were motivated by the fact that it served to some extent as an alternative to Carter's call for the public acquisition of large portions of Maine's northern forestland.

### ***10.3. Effectiveness***

The simplest and most direct way of measuring the tangible effectiveness of the Pingree Forest Partnership is to recognize that the campaign was ultimately successful in raising more than \$32 million to secure a perpetual easement and provide for ongoing easement monitoring on an array of forestlands larger in area than the state of Rhode Island. It will be up to economists, forest industry analysts, ecosystem scientists, and the recreational users of the future to assess whether the easement as enforced by NEFF has been successful in helping to sustain a working forest economy, an attractive recreational venue, and a functional and diverse ecosystem in northern Maine and the larger Northern Appalachian region.

### ***10.4. Replicability***

As noted in the Epilogue section of this paper, various aspects of the Pingree project have been replicated in New England and in the West by conservation organizations striving to find new ways to protect working forestlands from development. And, if proven to be successful, the Pingree project monitoring protocol may be widely replicated by a wide variety of organizations in the public, private, and non-profit sectors of the economy.

It is important to emphasize, however, that the art of private lands conservation easement design and negotiation is experiencing ongoing evolution. Inspiration for new and creative initiatives can come from many sources. As new designs for the conservation of working forests, farmlands, recreational land resources are devised, other players in the field of conservation will justifiably announce to their supporters, and to the general public, that they

are setting important precedents. Consider, for example, the following excerpt from a press release issued by The Conservation Fund, a highly respected and well-established conservation organization based in the greater Washington, D.C. metro area.

INNOVATIVE PUBLIC-PRIVATE PARTNERSHIP  
WILL CONSERVE SENSITIVE WILDLIFE HABITAT AND WORKING  
FOREST—BENEFITING ENVIRONMENT AND ECONOMY:  
State, Conservation and Forestry Interests Unite to Protect  
25,000 acres in the Chesapeake Bay watershed

Arlington, VA, December 18, 2002 -- In an innovative agreement that will promote sustainable timber operations and protect sensitive wildlife habitat, The Conservation Fund has joined forces with the State of Maryland and the Forestland Group LLC to acquire 25,000 acres of forestland, critical to the region's economy and environment, from Glatfelter Corporation. In the complex transaction negotiated by The Conservation Fund, the Forestland Group will purchase 21,766 acres, which will remain a traditional working forest subject to a conservation easement purchased and managed by the state. The conservation easements will extinguish development rights, ensure that sustainable forest practices are used and protect water quality and important resource features. The remaining acres, some of the most naturally significant areas in the state, will be acquired by The Conservation Fund and then transferred to the State once funding is available...

“We are on the verge of a sea change for conservation and forestry in America,” said Patrick F. Noonan, chairman of The Conservation Fund. “If we are to permanently conserve our nation's forestlands, we must create innovative public-private partnerships that balance economic growth with environmental principles. Thanks to the leadership of the State of Maryland and support of the forest products industry, we now have a bold model for forestland conservation in America.”<sup>147</sup>

Just as Keith Ross, in spearheading the negotiation of the Pingree deal, borrowed from experience he gained in at the Vermont Land Trust, at the Mt. Grace Land Trust, and at Mass Audubon, future land conservation innovators are also likely to look to a variety of sources for inspiration. Just as it would have been difficult to predict in 1990 that NEFF would succeed in closing the largest conservation easement deal in American history at the end of the twentieth century, it is difficult to predict just who the innovators of the future will be, let alone from exactly where they will get their inspiration.

It is fair to say however, that whether the inspiration comes directly from the Pingree project, or from one of the several other notable but physically smaller working forest deals consummated around the turn of the twenty-first century, the feasibility of such deals has been firmly established. It should not be surprising, particularly if economic conditions improve in years ahead, to see many more such deals “come to market.”



### ***10.5. Ability to Endure***

Will the impact of the Pingree project endure over the course of many decades or human generations? That question can be addressed in two ways.

Looking first at the impact on the ground, and assuming that the legal structure on which the easement is based remains in force, it is very likely that the easement placed on 762,192 acres of forestland in Maine will remain effective and enforceable for many, many years to come. The Pingree family has established a proud record of forestry management over the past 160 years; there is no reason to believe that the tradition will not be carried on far into the future. Likewise, the New England Forestry Foundation's nearly sixty year tradition of forest stewardship is likely to endure. And even if the Pingree Family and the New England Forestry Foundation are no longer vigorous centuries from now, the easement allows for competent successors to carry on in their stead.

It is more difficult to judge how active conservationists fifty years from now will assess the impact of the Pingree easement on the practice of conservation in the United States and the world. Will the conservation of nearly three-quarters of a million acres appear to them to be have been a "big deal," or will it appear only to have been a small step in the evolution of conservation practice? Time will tell. What is perhaps more important is whether or not successive generations of conservation innovators will, like the principals involved in the Pingree Forest Partnership, still be inspired, decades or centuries from now, to push the frontiers of conservation practice for the benefit of their children and grandchildren.

## ENDNOTES

- <sup>1</sup> JAMES N. LEVITT is the director of the Program on Conservation Innovation (the PCI) at the Harvard Forest, a research facility of Harvard University based in Petersham, Massachusetts. The PCI is a research, outreach and education initiative that is investigating opportunities for landmark conservation innovation in the twenty-first century. Levitt also serves as a Fellow of the Rappaport Institute for Greater Boston at Harvard's Kennedy School of Government. Between 1998 and 2003, Levitt founded and directed the Kennedy School's Internet and Conservation Project, an effort focused on the potentially constructive and disruptive impacts of new communications and transportation networks on land use and the practice of conservation. Contact: [james\\_levitt@harvard.edu](mailto:james_levitt@harvard.edu).
- <sup>2</sup> Charles H.W. Foster of the Kennedy School and David Foster of the Harvard Forest are not related to one another.
- <sup>3</sup> Alan A. Altshuler and Robert D. Behn, editors. *Innovation in American Government: Challenges, Opportunities and Dilemmas*. Washington, D.C., Brookings Institution Press, 1997.
- <sup>4</sup> "Hon. David Pingree," [a biographical sketch written in the year of his death, author and publisher not provided, in the files of the Peabody Essex Museum, catalog number E P653 1863], 1863, page 1.
- <sup>5</sup> Joel Webb Eastman. "David Pingree's Iron Works," Essex Institute Historical Collections, 1967, Volume 103, 189-198.
- <sup>6</sup> "Hon. David Pingree," page 6.
- <sup>7</sup> Lory Hough. "Paradise Lost," *John F. Kennedy School of Government Bulletin*, Summer/Fall 1999, page 45.
- <sup>8</sup> "Hon. David Pingree," page 6.
- <sup>9</sup> New England Forestry Foundation, "The Pingree Forest: A Unique Resource," available in 2002 at [www.newenglandforestry.org/projects/pingreemanagement.asp](http://www.newenglandforestry.org/projects/pingreemanagement.asp).
- <sup>10</sup> Schley started working at Pingree Associates in 1985, and took over as head in 1989.
- <sup>11</sup> Lory Hough. "Paradise Lost," page 44.
- <sup>12</sup> Technically, Pingree Associates, Inc. is named in the conservation easement agreement with the New England Forestry Foundation as the "attorney-in-fact" for Six Rivers Limited Partnership and the Philips Trustees; the Philips Trustees represent a line of the Pingree family which chose not to participate in the Six Rivers Partnership. See: [www.newenglandforestry.org/downloads/Pingree\\_CE\\_final.pdf](http://www.newenglandforestry.org/downloads/Pingree_CE_final.pdf).
- <sup>13</sup> Anna Solomon-Greenbaum. "North Woods," segment featured on the Public Radio program *Living on Earth*, World Media Foundation, week of December 15, 2000, available at [www.loe.org/archives/001215.htm](http://www.loe.org/archives/001215.htm).
- <sup>14</sup> Stephen W. Schley. *Testimony Before US Senate Finance Committee*, June 12, 2001, 4 pages; see [www.senate.gov/finance/74708.pdf](http://www.senate.gov/finance/74708.pdf).
- <sup>15</sup> United States Geological Survey (Pam Fuller). "Species Fact Sheet: Nonindigenous Aquatic Species: Blueback Trout," Revision Date: 5/18/00, available at [nas.er.usgs.gov/queries/SpFactSheet.asp?speciesID=936](http://nas.er.usgs.gov/queries/SpFactSheet.asp?speciesID=936).
- <sup>16</sup> Author's interview of Tim Ingraham, December 17, 2001.
- <sup>17</sup> New England Forestry Foundation, "The Pingree Forest: A Unique Resource," available in 2002 at [www.newenglandforestry.org/projects/pingreemanagement.asp](http://www.newenglandforestry.org/projects/pingreemanagement.asp).
- <sup>18</sup> Maine Forest Service. "Forest Certification in Maine," an online summary, available at [www.state.me.us/doc/mfs/fpm/forcert.htm](http://www.state.me.us/doc/mfs/fpm/forcert.htm) of the Maine Forest Service's 2001 Biennial Report on the State of the Forest, October 11, 2001. Note that only International Paper and Irving Woodlands LLC, which have forestland certified only under the SFI guidelines, have certified areas of forestland in Maine (1.405 million acres and 1.550 million acres, respectively) larger than the Pingree lands certified under both the FSC and SFI guidelines.
- <sup>19</sup> United States Senate Committee on Finance. *Preserving our Natural Resources: Hearing Before the committee on Finance, United States Senate, 107<sup>th</sup> Congress, First Session, June 12, 2001*. U.S. Government Printing Office. Page 17.
- <sup>20</sup> Author's interview of Tim Ingraham, December 17, 2001.
- <sup>21</sup> David Foster and John O'Keefe, *New England Forests Through Time*. The Harvard Forest, Petersham, Massachusetts, 2000, page 8.
- <sup>22</sup> Foster and O'Keefe, *New England Forests Through Time*, page 12.
- <sup>23</sup> That is, the forest was in its second, third (or even greater) cycle of growth since European settlement.
- <sup>24</sup> *New England Forestry Foundation: Foundation Forests*, fourth edition, Groton, Massachusetts, 1998, page 4.
- <sup>25</sup> William A. King. "The Private Forestry Movement in Massachusetts," in Charles H.W. Foster, editor, *Stepping Back to Look Forward: A History of the Massachusetts Forest*, Harvard University Press, 1998, page xx.
- <sup>26</sup> Author's interview with William A. King, September 17, 2002.
- <sup>27</sup> Author's interview with William A. King, Cynthia Wood and John Hemenway, September 24, 2002.
- <sup>28</sup> 1994 statistics provided by Cynthia Wood, Land Protection Specialist, New England Forestry Foundation, March 2003. Growth of acreage in the 1990s is indicated by the following figures: in 1992, NEFF had a total of 15,567 acres in fee ownership, and 2,057 covered by conservation easements, for a total of 17,624 acres. (source for 1992 statistics: Cynthia Wood, NEFF). By 1998, that figure had grown to about 20,000 acres in fee ownership and about 4,000 acres under easement, for a total of about 24,000 acres (source for 1998 figures: *New England Forestry Foundation: Foundation Forests*, pages 6, 7). On average, then, in the mid-1990s, NEFF was adding roughly 1,000 acres of land a year to its total of land protected by fee ownership and easements.
- <sup>29</sup> Christopher Leahy, et al., with an introduction by Gerard A. Bertrand. *The Nature of Massachusetts*. Addison-Wesley, Reading, MA, 1996, pages x-xi. In 1996, Mass Audubon's centennial, President Jerry Bertrand reported that the Society had protected approximately 25,000 acres of land in its sanctuary system, and that "we are presently adding to our holdings at an average rate of 1,000 acres per year."
- <sup>30</sup> Author's interview with William A. King, September 17, 2002.
- <sup>31</sup> Author's interview with William A. King, September 17, 2002.
- <sup>32</sup> At the time they both attended UMass Amherst and were students in some of the same courses, Ross was an undergraduate and Thompson was a graduate student.
- <sup>33</sup> Telephone interview with Janet Kraft, North New Salem, Massachusetts, March 18, 2003. The conservation easement grant to Mt. Grace was completed in August 1989.
- <sup>34</sup> Author's interview with Keith Ross, October 22, 2001.

- <sup>35</sup> The idea that NEFF might spin off its consulting forestry operations was one that the strategic planning committee was already considering prior to the meeting that Ross attended.
- <sup>36</sup> Author's interview with William A. King, September 17, 2002.
- <sup>37</sup> For the history of LandVest, see [www.landvest.com/company/history.asp](http://www.landvest.com/company/history.asp)
- <sup>38</sup> Northern Forest Lands Council, *Finding Common Ground: Conserving the Northern Forest* (final report of recommendations), September 1994, page 4, at [www.northernforestlands.org/publications/Introduction.PDF](http://www.northernforestlands.org/publications/Introduction.PDF).
- <sup>39</sup> Northern Forest Lands Council, *Finding Common Ground: Conserving the Northern Forest* (final report of recommendations), September 1994, page 1, at [www.northernforestlands.org/publications/Introduction.PDF](http://www.northernforestlands.org/publications/Introduction.PDF).
- <sup>40</sup> The Northern Forest Alliance. *The Northern Forest*. January 1995. Passage quoted from a website maintained by the Property Rights Foundation of America, Inc., "Statistics on the Northern Forest Alliance," available at [prfamerica.org/Stats-NorthernForestAlliance.html](http://prfamerica.org/Stats-NorthernForestAlliance.html).
- <sup>41</sup> See the RESTORE: The North Woods website on the proposed Maine Woods National Park at [www.restore.org/Maine/overview.html](http://www.restore.org/Maine/overview.html).
- <sup>42</sup> William A. King. "Letter to The Northern Logger" in *The Timberline*. New England Forestry Foundation, Groton, MA, Fall 1997, p.18.
- <sup>43</sup> Forest Stewardship Council, *Frequently Asked Questions: How and When was FSC formed?*, available on the website hosted by the FSC international office in Bonn, Germany, at [www.fscoax.org/html/fsc\\_faq.html](http://www.fscoax.org/html/fsc_faq.html).
- <sup>44</sup> New England Forestry Foundation. "The Pingree Forest: A Unique Resource," last updated April 15, 2003, available at <http://www.newenglandforestry.org/projects/pingreemanagement.asp>.
- <sup>45</sup> "Certified Wood from Seven Islands Forests," *Environmental Building News*, Volume 3, Number 6, November/December 1994, available at <http://www.buildinggreen.com/products/seven.cfm>.
- <sup>46</sup> Scientific Certification Systems, Dave Wager (identified as "Contact"). *Public Summary Report for the Five Year Re-evaluation of: Seven Islands Land Management Company of the Pingree Family Ownership, Bangor, ME*. SCS, Emeryville, CA., Awarded June 2000, Updated September 2000, October 2001 and December 2002. For a copy of SCS' report, see [www.scs1.com/PDFS/forest\\_seven.pdf](http://www.scs1.com/PDFS/forest_seven.pdf).
- <sup>47</sup> For information on the Massachusetts Chapter 61 program as it exists in 2003, see <http://www.state.ma.us/dem/programs/forestry/service/fortax.htm>. The website explains: "the Massachusetts Current Use Forest Tax Law, (Chapter 61), is designed to give favorable treatment to a landowner willing to keep forested land undeveloped and manage that land under a long-term strategy. Land which is classified under Chapter 61 is assessed at five percent of the fair market value or at \$10 per acre, whichever is greater."
- <sup>48</sup> Author's interview with Tim Ingraham, December 17, 2001.
- <sup>49</sup> Author's interview with Keith Ross, October 22, 2001.
- <sup>50</sup> Author's interview with Stephen Schley, August 2002.
- <sup>51</sup> Author's interview with Merloyd Ludington, March 2002.
- <sup>52</sup> Author's interview with Stephen Schley, August 2002.
- <sup>53</sup> For more information on LURC, see <http://www.state.me.us/doc/lurc/lurchome.htm>.
- <sup>54</sup> New England Forestry Foundation. *Pingree Forest Partnership: A Capital Campaign to Conserve over 750,000 Acres in Maine*, 4-Page New England Forestry Foundation Capital Campaign Brochure, Groton, MA, 1999, page 3.
- <sup>55</sup> This brief synopsis of the principal elements of the Pingree Forest Easement: A Summary," available at [www.newenglandforestry.org/project/pingreeeasement.asp](http://www.newenglandforestry.org/project/pingreeeasement.asp). The full text of the final easement language is attached to this paper as Appendix A, and is available online at [www.newenglandforestry.org/downloads/Pingree%20CE%20final.pdf](http://www.newenglandforestry.org/downloads/Pingree%20CE%20final.pdf).
- <sup>56</sup> That is, the Forest Society of Maine monitors compliance with the easement. According to Alan Hutchinson, the FSM assures landowner compliance with the easement by using: computer-analyzed high-altitude aerial photography, an annual flyover for visual inspection, on-the-ground inspections, and an annual meeting with the landowner.
- <sup>57</sup> For an overview of the Attean easement held by the Forest Society of Maine (FSM), see [fsmaine.org/projects.htm#attean](http://fsmaine.org/projects.htm#attean). Information also provided by Alan Hutchinson of the FSM, phone interview with author, June 22, 2003. Note that the easement on the Attean Lake land was donated to the FSM by the landowner, and that information on the appraised value of that donation is not readily available.
- <sup>58</sup> Author interview, June 23, 2003, with Andrew H. McLeod, formerly director of the National Conservation Finance Program at the Trust for Public Land.
- <sup>59</sup> For example, see discussions about easements that need not provide for public access on the website of the California Rangeland Trust (a land trust primarily working on rangeland issues) at [www.rangelandtrust.org/FAQs.htm](http://www.rangelandtrust.org/FAQs.htm); see
- <sup>60</sup> For relevant information on the Maryland Environmental Trust, see [www.dnr.state.md.us/met/ce.html](http://www.dnr.state.md.us/met/ce.html).
- <sup>61</sup> For more information on LandVest, see [www.landvest.com](http://www.landvest.com).
- <sup>62</sup> Jeff Clark. "West Branch Crusade," *Down East*, Down East Enterprise, Camden, Maine, July 2003, pages 19 ff, also available in June 2003 at [www.downeast.com/talk.html](http://www.downeast.com/talk.html), 4 of 4 pages. The Niatous deal closed at \$3.75 million for 20,000 acres, or about \$195 per acre.
- <sup>63</sup> Environmental News Network, "TNC to Buy 185,000 Acres of Maine Forest," featured on CNN.com, December 16, 1998, available at [www.cnn.com/TECH/science/9812/16/maine.enr/](http://www.cnn.com/TECH/science/9812/16/maine.enr/).
- <sup>64</sup> New England Forestry Foundation, *Pingree Forest Partnership: A Capital Campaign to Conserve over 750,000 Acres in Maine*, 16-Page New England Forestry Foundation Capital Campaign Brochure, Groton, MA, 2000, page 13.
- <sup>65</sup> Author's interview with Peter Stein, December 11, 2001.
- <sup>66</sup> Author's interview with Frank Reed, July 1, 2002.
- <sup>67</sup> Author's interview with Frank Reed, 7/1/02.
- <sup>68</sup> Author's interview with Jackie O'Connor, July 8, 2003.
- <sup>69</sup> Author's interview with Peter Stein, 12/11/01.
- <sup>70</sup> "Deal to Protect Vast Stretches of Maine Woods," from the New York Times Service, March 4, 1999, reprinted by Scenic Virginia, available at [www.scenicva.org/mainewoodsdeal.html](http://www.scenicva.org/mainewoodsdeal.html).
- <sup>71</sup> Author's interview with Phil Balboni and Charles Kravetz at New England Cable News offices, 11/14/01.
- <sup>72</sup> Lory Hough, "Paradise Lost," *The Kennedy School Bulletin*, Summer/Fall 1999, available at [www.ksg.harvard.edu/ksgpress/bulletin/summer\\_fall1999/paradise\\_lost.html](http://www.ksg.harvard.edu/ksgpress/bulletin/summer_fall1999/paradise_lost.html).
- <sup>73</sup> Author's interview with Elizabeth Swain, 12/04/01.
- <sup>74</sup> *Conservation Easement... Granted to New England Forestry Foundation, Inc.*, an agreement between Pingree Associates, Inc. and New England Forestry Foundation, available at [www.newenglandforestry.org/downloads/Pingree%20CE%20final.pdf](http://www.newenglandforestry.org/downloads/Pingree%20CE%20final.pdf).

- <sup>75</sup> For more information on the Sudbury Foundation, see [www.sudburyfoundation.org](http://www.sudburyfoundation.org).
- <sup>76</sup> Author's interview with Rich Davison, November 6, 2001.
- <sup>77</sup> Keith Ross had, for example, in 1996 served on the National Science Foundation's Committee on Prospects and Opportunities for the Sustainable Management of America's Non-Federal Forests.
- <sup>78</sup> New England Forestry Foundation, *Foundation Forests*, Groton, Massachusetts, 1998, Page 93.
- <sup>79</sup> Hiller Associates. *The Pingree Forest Partnership Campaign: Final Report*. January 16, 2001, page 11.
- <sup>80</sup> Hiller Associates, page 12.
- <sup>81</sup> Author's interview with Frank Hatch, November 9, 2001.
- <sup>82</sup> Author's interview with Wil Merck, December 4, 2001.
- <sup>83</sup> Author's interview with Bayard Henry, December 18, 2001.
- <sup>84</sup> Author's interview with Ann Fowler Wallace, November 14, 2001.
- <sup>85</sup> Hiller Associates. *The Pingree Forest Partnership Campaign: Final Report*. January 16, 2001, page 8. The term "unorthodox" was used by Hiller Associates to describe the entire project and offer congratulations on its success: "The Pingree campaign can only be described as unorthodox. It is somewhat remarkable that the campaign flourished considering the challenging conditions" it faced.
- <sup>86</sup> Author's interview with Bayard Henry, December 18, 2001.
- <sup>87</sup> New England Forestry Foundation. *Pingree Forest Partnership: A Capital Campaign to Conserve over 750,000 Acres in Maine*, 16-Page New England Forestry Foundation Capital Campaign Brochure, Groton, MA, 2000, page 15. The brochure lists the members of the Pingree Forest Partnership Volunteer Leadership Committee in January 2000 as: Bayard Henry, *Chair*, Francis W. Hatch, Jr., *Honorary Chair*, John S. Ames III, Gerard A. Bertrand, E.F. Bowditch, Jr., Eugene H. Clapp III, Charles W. H. Dodge, John H. Finley III, Robert L.V. French, Robert H. Gardiner, William Haney III, Sherry F. Huber, John M. Kauffmann, Edward J. and Patricia Kfoury, G. Montgomery Lovejoy III, Wilhelm M. Merck, Gordon MacKay Morrison, Jr., Clinton A. Reynolds, Igor and Karen P. Sikorsky III, John E. Taft, David I. J. Wang, and Governor Angus S. King, *Honorary Chair, Project Advisory Committee*.
- <sup>88</sup> Author's interview with Ann Fowler Wallace, November 14, 2001.
- <sup>89</sup> New England Forestry Foundation, "New Growth," a supplement to *Northern Woodlands* magazine. Corinth, Vermont: Northern Woodlands Magazine, Inc., Winter 1999, New Growth page 2.
- <sup>90</sup> Charles Thompson. "Report of the Managing Director," in *Timberline*. Groton, Massachusetts: New England Forestry Foundation, Spring/Summer 1999, page 19. Thompson wrote: "Continuous adaptation is one of the mantras of modern organizations. However, it is just as important to stick with worthwhile things, even if most of the world has moved on to something new. It is not easy to generate enthusiastic support for what you've always been doing. Despite the reorganization that has culminated in the formal separation of NEFF and NEFCo, our emphasis on forest management on private lands remains the same."
- <sup>91</sup> Land and Water Associates. "Are the Pingree Lands Really Vulnerable to Development?" Hallowell, Maine: Land and Water Associates, January 18, 2000, page 3.
- <sup>92</sup> New England Forestry Foundation. "New Growth," a supplement to *Northern Woodlands* magazine. Corinth, Vermont: Northern Woodlands Magazine, Inc., Spring 2000, New Growth page 2.
- <sup>93</sup> Phyllis Austin. "\$28m raised for largest land easement in U.S.," *The Maine Times: News and Issues*, March 28, 2001, available at [www.meepti.org/files/mto32801.htm](http://www.meepti.org/files/mto32801.htm).
- <sup>94</sup> Phyllis Austin. "Public funds, private property: are easements a good buy?," in *Maine Times Online*, November 9, 2000, available at [www.meepti.org/files/mtl10900b.htm](http://www.meepti.org/files/mtl10900b.htm), page 9 of 12.
- <sup>95</sup> Austin, November 9, 2000, page 9 of 12.
- <sup>96</sup> As reported by Amos Eno, the fund is known as a Natural Resource Damage Assessment and Restoration Fund.
- <sup>97</sup> Amos Eno, NEFF Annual Meeting Address, 13 June 2002, page 1.
- <sup>98</sup> Amos S. Eno, presentation on "Donations of Conservation Easements and Other Charitable Techniques Involving Real Estate," at the 2000 Mid-Year Meeting, American Bar Association, Section of Taxation, Real Estate, held on January 21, 2000 in San Diego, CA. Quotation from paper made available by The Resources First Group, Freeport, Maine, 2000, page 2.
- <sup>99</sup> [Amos Eno], "Why is the Pingree Forest Partnership so important?" White paper for the Pingree Forest Partnership, [2000], pages 2, 3, 4.
- <sup>100</sup> Austin, November 9, 2000, page 10 of 12.
- <sup>101</sup> Austin, November 9, 2000, page 9 of 12.
- <sup>102</sup> Joshua Weinstein. "Group Raises Cash to Save Forests," in *The Kennebec Journal Online*, June 8, 2000, available at [www.meepti.org/files/00608forest\\_b.shtml](http://www.meepti.org/files/00608forest_b.shtml)
- <sup>103</sup> Eno, "Why is the Pingree Forest Partnership so important?," [2000], page 6.
- <sup>104</sup> Hiller Associates, pages 1-10.
- <sup>105</sup> Austin, 2001, page 1 of 2.
- <sup>106</sup> Steven A. Sader, Keith Ross, and Frank C. Reed. "Pingree Forest Partnership: Monitoring Easements at the Landscape Level," *Journal of Forestry*, April/May 2002, pages 20-25.
- <sup>107</sup> Business analysts refer to such progress along price/performance vectors as movement along an "experience curve," a term first coined by the Boston Consulting Group in a study of the semiconductor industry in the 1960s (for more, see "BCG History" at [http://www.bcg.com/this\\_is\\_BCG/bcg\\_history/bcg\\_history\\_1963.jsp](http://www.bcg.com/this_is_BCG/bcg_history/bcg_history_1963.jsp)).
- <sup>108</sup> Sader, Ross and Reed, pages 24-25.
- <sup>109</sup> Schley, 2001, page 2.
- <sup>110</sup> New England Forestry Foundation. *Working with Landowners To Sustain New England's Forests*, 2003, page 11.
- <sup>111</sup> New England Forestry Foundation. "Downeast Lakes Forestry Partnership," available in summer 2003 at [www.newenglandforestry.org/projects/dlfp.asp](http://www.newenglandforestry.org/projects/dlfp.asp).
- <sup>112</sup> The Nature Conservancy. "240,000-Acre Deal Protects Jobs and the Environment." *The Nature Conservancy News Room: Press Releases*. August 27, 2002, available at [www.nature.org/pressroom/press/press742.html](http://www.nature.org/pressroom/press/press742.html).
- <sup>113</sup> Clark, page 24.
- <sup>114</sup> Associated Press. "Agreement aims to preserve 600,000 acres from development," *The Olympian*, Olympia, Washington, Thursday, November 14, 2002. Available at [www.theolympian.com/home/news/20021114/northwest/8076.shtml](http://www.theolympian.com/home/news/20021114/northwest/8076.shtml).



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<sup>146</sup> See James N. Levitt. "Palladium of the People: The Boston Common and the Public Garden as Early American Conservation Innovations," Rappaport Institute Working Paper Number 7. Cambridge, Massachusetts: The Rappaport Institute for Greater Boston, Kennedy School of Government, Harvard University, [in press, 2003].

<sup>147</sup> Christine Fanning. "Innovative Public-Private Partnership Will Conserve Sensitive Wildlife Habitat and Working Forest, Benefitting Environment and Economy," *The Conservation Fund, News Release*. Arlington, Virginia: The Conservation Fund, December 18, 2002, available at [www.conservationfund.org/?article=2675&back=true](http://www.conservationfund.org/?article=2675&back=true).