

Open Space



The Fate of the Northern Forest

Earlier this year, the Open Space Institute (OSI) loaned \$25 million to The Nature Conservancy to purchase the last large timber tract of privately

owned land in the heart of the Adirondack Park. The purchase of 161,000 acres of Finch, Pruyn & Co., Inc. lands will result in the protection of one of the most intact temperate forests remaining in the world. Additionally, it complements OSI's purchase of the nearby 10,000-acre Tahawus tract and the more than 1.7 million acres that OSI has helped to protect from Maine to New York, mostly through its Northern Forest Protection Fund (see page 4).

The Finch, Pruyn deal, protecting an area coveted for its biodiversity and endless recreational opportunities, is also emblematic of a wide-sweeping trend taking place across the 26-million-acre Northern Forest over the last twenty years. Industrial timber companies – facing increasing global competition as well as faster growing seasons and looser environmental regulations to the south and abroad – are liquidating their considerable

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The former Finch, Pruyn & Co. lands contain more than 70 lakes and ponds, 90 mountains and 29 miles of the Hudson River, including Indian Lake and Snowy Mountain, below.

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top and bottom: Carl Heilman II - WildVisions, Inc.



Our Mission

The Open Space Institute (OSI) protects scenic, natural, and historic landscapes to ensure public enjoyment, conserve habitats, and sustain community character. OSI achieves its goals through land acquisition, conservation easements, regional loan programs, fiscal sponsorship, creative partnerships, and analytical research.

Since 1964, OSI has protected 100,000 acres in the State of New York and assisted in the protection of an additional 1.7 million acres across the East Coast.



Reflections on Life & Land

Dear Friends,

From biodiversity to biodynamic farms, life – bio – is at the root of it all. You can sense it at the pristine places that give birth to the headwaters of our greatest rivers. You can feel it beating from your heart after climbing a mountain and looking upon an uninterrupted vista. It emanates from children as they bounce along on a hay ride at a local farm.

The Open Space Institute is preserving the lands that support this life – whether it is a reserve that protects wildlife habitat, or working farms and forests that keep community-based economies thriving. Many times, we're finding, our endeavors do both. From the Northern Forest, highlighted in this issue of *Open Space*, to the Southern Appalachians, our work proves that the land can work – for people, for ecosystems and for the biodiversity that is the underpinning of all life. Just this year, OSI provided a \$25 million loan to The Nature Conservancy to purchase huge tracts of land in the heart of the Adirondacks from a departing timber company; conducted an assessment evaluating the effectiveness of working forest easements on biodiversity; and provided testimony based on our economic analysis of the proposed Plum Creek development in Maine.

After funding the protection of 1.7 million acres throughout the Northern Forest, most of it through the Northern Forest Protection Fund, we're expanding our Conservation Finance Program to assist an array of new partners across the East Coast. Enhancing our farmland protection efforts, OSI conserved key farmlands across the Hudson Valley and into western Massachusetts. And we revamped our website so that more of you can connect to the landscapes you love. Please visit us at www.osiny.org.

We hope you enjoy this issue of *Open Space* and that you will continue to join us in promoting smart conservation.

Kim Elliman
CEO

Joe Martens
President

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A Ridge and Two Valleys

Funding Farmland for the Future

On a refreshing fall day, Mrs. Barbara

Paul's bright red cape mirrored the hue of the changing trees along Esopus Creek at the edge of Paul's Farm. She stood before reporters, joining the Open Space Institute and others to celebrate the protection of three Rondout Valley farms – the Paul, Davenport and Misner Farms. The

crowd ate fresh donuts and sipped cider that Bruce Davenport had brought for the event as a red-tailed hawk soared over the fields where Michael Paul was finishing up the sweet corn harvest.

"Preserving our family farm with a conservation easement was an important and tough decision, especially being the first to do it in Ulster County," said Mrs. Paul, referring to the use of Purchase of Development Rights (PDR) funding through the state's Farmland Protection Program. The State of New York, OSI and Scenic Hudson all shared the cost of the easement. "We're so happy with our decision and encourage other farmers to use this great preservation tool to help keep family farms alive in the Hudson Valley," she added.

Using smart conservation and creative partnerships, OSI is continuing to expand its farmland protection efforts in the Hudson River Valley, focusing on the Rondout and Wallkill Valleys that surround the Shawangunk Ridge, where OSI has protected 25,000 acres since 1984. OSI has already protected nearly 2,000 agricultural acres and is committed



OSI staff join Mrs. Paul to celebrate the protection of her farm. From left to right, Bob Anderberg, Jennifer Grossman, Barbara Paul and Joe Martens

to protecting 2,500 more.

Recognizing these accomplishments, OSI was recently awarded the 2007 President's Award by the Wallkill Valley Land Trust (WVLT) in response to the highly successful Two Farms Campaign, in which OSI provided a matching grant of nearly half a million dollars to protect two working farms on historical Huguenot Street in New Paltz.

Even with this type of support, the region continues to be threatened by encroaching sprawl like the rest of the state, which loses 26,000 acres of farmland to development each year. OSI is supporting the critical land base needed for agriculture, which contributes \$370 million to the Valley economy each year, while safeguarding a local source of fresh and healthy food. Protecting these open spaces amid rising development pressures also maintains an agrarian character that inspires a sense of place and makes the Hudson Valley what it is – a place worth exploring, experiencing, and protecting. Please call us to find out how you can show your support for the Two Valleys Campaign.



"A conservation easement is an effective method to get equity from valuable land while keeping it agricultural. To me, that makes a lot of sense."

— Bruce Davenport of Davenport Farm

A word of thanks . . .

We'd like to express our appreciation for the Land Trust Alliance's New York State Conservation Partnership Program that has supported OSI in the Two Farms Campaign and our wider farmland protection efforts in the Rondout and Wallkill Valleys. They, along with a variety of other sources including the State of New York's Department of Agriculture and Markets Farmland Protection Program, the Golden Rule Foundation, and the outstanding generosity of many individual donors, are supporting smart conservation in the region.

Northern Forest Protection Fund A Retrospective



When timber companies began their exodus from the Northeast, ownership patterns that had lasted more than a century in the Northern Forest began to quickly unravel.

Recognizing the opportunity for region-wide conservation, OSI responded by launching the Northern Forest Protection Fund (NFPF) in 1999 with the objective of protecting 200,000 acres. Little did we know we'd surpass that goal nearly tenfold.

Capitalized with \$12.5 million from the Doris Duke Charitable Foundation, Surdna Foundation and Jane's Trust, the strength of the NFPF lies in OSI's ability to serve as an honest broker, supporting the critical early stages of deal-making that enable land trusts to shape the transaction. It also leverages limited philanthropic capital and other funding resources.

Drawing on the expertise of the NFPF's exemplary advisory board, comprised of forestry and conservation professionals

from across the region, OSI established criteria to guide funding to the best deals in the Northern Forest. Through loans and grants, OSI sought to protect working forests and establish ecological reserves while promoting landscape-scale conservation and permanent public access to the region's lands and waters.

As 2007 comes to a close, OSI has provided funding to national and regional land trusts to protect a total of 1.7 million acres in 22 separate transactions in the Northern Forest, the vast majority through the NFPF.

Going forward, OSI is using the fund as a model for conservation efforts in other regions while deepening our work in the North through several intellectual offshoots, including a study on the effects of working forest easements on biodiversity and a financial analysis of Plum Creek's proposed development in Maine. Learn more at www.osiny.org.

Northern Forest Protection Fund Highlights

Penobscot River's West Branch, Maine

– 329,000 acres

Katahdin Forest, Maine

– 240,000 acres

Connecticut Lakes, New Hampshire

– 171,300 acres

Tug Hill, New York

– 45,000 acres

Farm Cove Community Forest, Maine and New Brunswick

– 27,080 acres

Town of Errol Community Forest, New Hampshire

– 5,145 acres



Land Matters *News & Events*

year in review

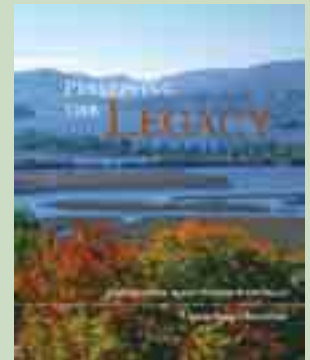
OSI has completed 24 transactions (acquisitions, easements and dispositions) so far this year, involving approximately 7,570 acres of land in the State of New York. Highlights include gifting Dockside Park in Garrison to the state, the purchase of Arden House in the Hudson Highlands, a land swap with Finch, Pruyn & Co., Inc., and protection of an assemblage of farms in the Catskills and mid-Hudson River Valley, including the successful completion of the Two Farms Campaign in New Paltz.



That figure doesn't count an additional 166,753 acres of land we've helped protect through our Conservation Finance Program, including the monumental Finch, Pruyn deal in the Adirondacks (see cover story), a dairy farm in western Massachusetts, a tract of prime wildlife habitat in the Highlands of Roan in North Carolina, and 5,000 acres in New Hampshire that link the Lake Umbagog National Wildlife Refuge to the Errol Town Forest. It's been a busy year of big deals for OSI, with more in the works for 2008.

OSI Testifies in Maine

In December, OSI testified before Maine's Land Use Regulatory Commission (LURC) on one of the most contentious environmental issues in Maine's history. Plum Creek, the nation's largest landowner, is requesting rezoning to allow an extensive development in the Moosehead Lake region. OSI has brought a unique perspective to the debate, derived from our financial analysis of the company's controversial plan. We believe there are strong mutual incentives for both Plum Creek and its critics to agree on a concept plan that encourages clustered development and increased conservation mitigation. Find the full OSI report and our testimony at www.osiny.org



Preserving the Legacy

Earlier this year, OSI created "Preserving the Legacy," an historical retrospective of land conservation in the Hudson River Valley. Please let us know if you would like free copies for your classroom, library, Chamber of Commerce or local café. Preview by clicking on Publications at www.osiny.org.



Just a Click Away

OSI is happy to announce the launch of our newly updated website packed full of information about land conservation. Have you ever wondered how land trusts help combat climate change? Did you know that OSI is protecting wildlife habitat through a new loan fund in Georgia? What's the latest news on farmland protection in the Hudson River Valley? You can find all this and more on our redesigned site. We invite you to log on to www.osiny.org today.

As the ownership transition continues, the fundamental question remains: what is the value of the forest?

The Fate of the Northern Forest

(continued from page 1)

land holdings in New York and New England at an unprecedented rate. It is a time of transition in the Northern Forest. In the last decade, almost seven million acres have changed hands in the region, of which three million have been permanently conserved using a mix of conservation easements and direct fee acquisition. But more than half of the acreage bought and sold is now controlled by timber investors (or Timber Investment Management Organizations, TIMOs), which have replaced industrial forest product companies as the region's new land barons.

Where the old timber owners once managed their forests for the long term and often were intimately involved in local communities (providing hunting and fishing access to their land and support for Little League teams), the new owners are focused on maximizing financial return. For example, in the Mahoosuc Mountains that straddle New Hampshire and Maine, investors own more than half of the property, making local residents uncertain about the fate of the land; and in Maine, Plum Creek, the nation's largest landowner and timber Real Estate Investment Trust (REIT), is seeking to reshape the landscape with a controversial development plan

(See OSI Testifies page 5).

The change in land ownership is creating significant uncertainty but also spurring creative adaptation. With scarce resources, state agencies and nonprofit organizations are using State Wildlife Action Plans (SWAPs) to identify the most important lands to protect. Some local communities aren't waiting for others to take action. Community forests, owned and managed for both timber and recreation, have existed for centuries but their popularity as a model of land ownership, often in partnership with land trusts, is undergoing a resurgence in some parts of northern New England.

As the ownership transition continues, the fundamental question remains: what is the value of the forest? Is it worth more timbered for its wood products or left standing, storing carbon that could mitigate CO₂ emissions elsewhere while providing a place for recreation and wildlife? Can such ecosystem services generate sufficient revenue to help offset the decline in the forest products industry? How can the region achieve economic growth that is environmentally compatible?

Ultimately, the answers to these questions will guide the fate of the Northern Forest, a region of unparalleled richness in a time of unending change.



OK Slip Falls above North River in the Adirondacks

Carl Helman II - WildVisions, Inc.

A Conversation with Bren Whittaker

Recently, **Bren Whittaker** – Northern Forest Protection Fund Advisory Council member, former Vermont Secretary of Natural Resources, professional forester, and Episcopal clergyman – took a few minutes to talk with OSI staff about being ahead of the curve in the Northern Forest, how his faith informs him, and the reason he's an undue optimist.

OSI: When did forest protection become part of the conversation in the Northern Forest?

BW: There was a huge upheaval when millions of acres of paper company land went on the auction block. Land trusts stepped in and a remarkable amount of land was protected, especially through easements, many through the work of OSI. The whole question of biodiversity, extinction, all of these things have entered into the discussion now, and I'm pleased at that.

OSI: How are communities responding to these massive shifts in land ownership that have happened in the last generation?

BW: I don't want to be an undue optimist, but I think this whole region has gotten itself somewhat ahead of the curve of staving off rampant subdivision and development. It's been a very exciting thing to see the economy begin to pick up and change as people get over the shock of losing the paper industry. The economy is going to be much more diverse, and there's a general recognition that it's the natural resources and the beauty of this area that is the future here.

OSI: Now that most of the large parcels have been protected, what do you think will happen

with the millions of acres of small landholdings in the Northern Forest?

BW: There is something called the "Yellowstone Gateway Effect," the rampant development, clusters of cheap-jack stuff, at the gates of protected areas. What we've done so far is we've dealt with the landscape-scale conservation, but now we've got this issue in the places that aren't protected yet.

OSI: What do you think is the next step for land conservation?

BW: One is community forests, where communities become owners of their local lands, as Henry Thoreau wanted to do 160 years ago. Another is through zoning and planning.

OSI: You're an Episcopal minister: How has your faith informed your work?

BW: I went into my master's degree in Divinity as a forester, and I wrote my thesis on conservation and the church. I had a very wonderful bishop who told me, "This is your ministry. Go for it." I mostly served as an Episcopal clergyman in this rural area, in very small parishes and 17 years at St. Mark's Church in Groveton, New Hampshire, which is a paper mill town. Fortunately it's one where the mill's still going. So my training as a clergyman and my work as a forester have combined, through all of my career.

Editor's note: Soon after this interview, the last mill in Groveton, NH announced it would be permanently closing its doors at the end of 2007.

Read the full interview at www.osiny.org



Michael Fink

Bren Whittaker

"This organization is one to watch in the coming years, as it will likely create important new opportunities in the area of conservation finance for all types and sizes of conservation borrowers."
— Story Clark on OSI's Conservation Finance Program

Recommended Reading

Finding land worthy of preservation is simple compared to securing the funding needed to protect it. But things just got easier with the arrival of Story Clark's new book, *A Field Guide to Conservation Finance* (Island Press, \$35), which provides an insightful road map to help emerging land trusts navigate the complicated financial world of conservation. The need for a book like this couldn't be more acute as land prices and development continue to escalate in tandem across the country. Featuring OSI's Conservation Finance Program as one of many real-life examples that Clark draws upon to illustrate her thoroughly researched trove of information, the book provides essential tools for every step of the process, from raising and borrowing money to reducing costs of transactions. Every conservation organization should add this essential resource to its library.



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Sledding in the Catskills

Matt White