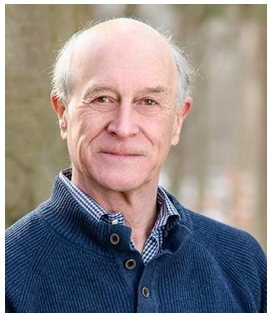
Borrowing Money for Land Protection

March 22, 2025 |Wesleyan University | Middletown, CT

Aspetuck Land Trust, Connecticut Green Bank, & LegacyWorks Group

Today's Speakers

Bill Kraekel,
President,
Aspetuck Land Trust



Peter Cawley
Treasurer,
Aspetuck Land Trust

Reggie Hall,
Director of Conservation Finance,
Legacy Works Group

Leigh Whelpton,
Director of Environmental Infrastructure Programs,
Connecticut Green Bank

Austin Dziki,
Senior Manager of Environmental Infrastructure Programs,
Connecticut Green Bank

Conservation Finance

A range of strategies that generate, manage, and deploy financial resources and align incentives to achieve conservation outcomes

Sourced from public, philanthropic, private, and/or blended sources of capital*

***Note: funding vs. financing**

Borrowing Money

(e.g. Bridge Loan, Seller Financing, etc.)

What: a loan to cover acquisition costs when buyer lacks cash on hand.

Types of lenders:

- Bank, foundation, conservation lender, individual

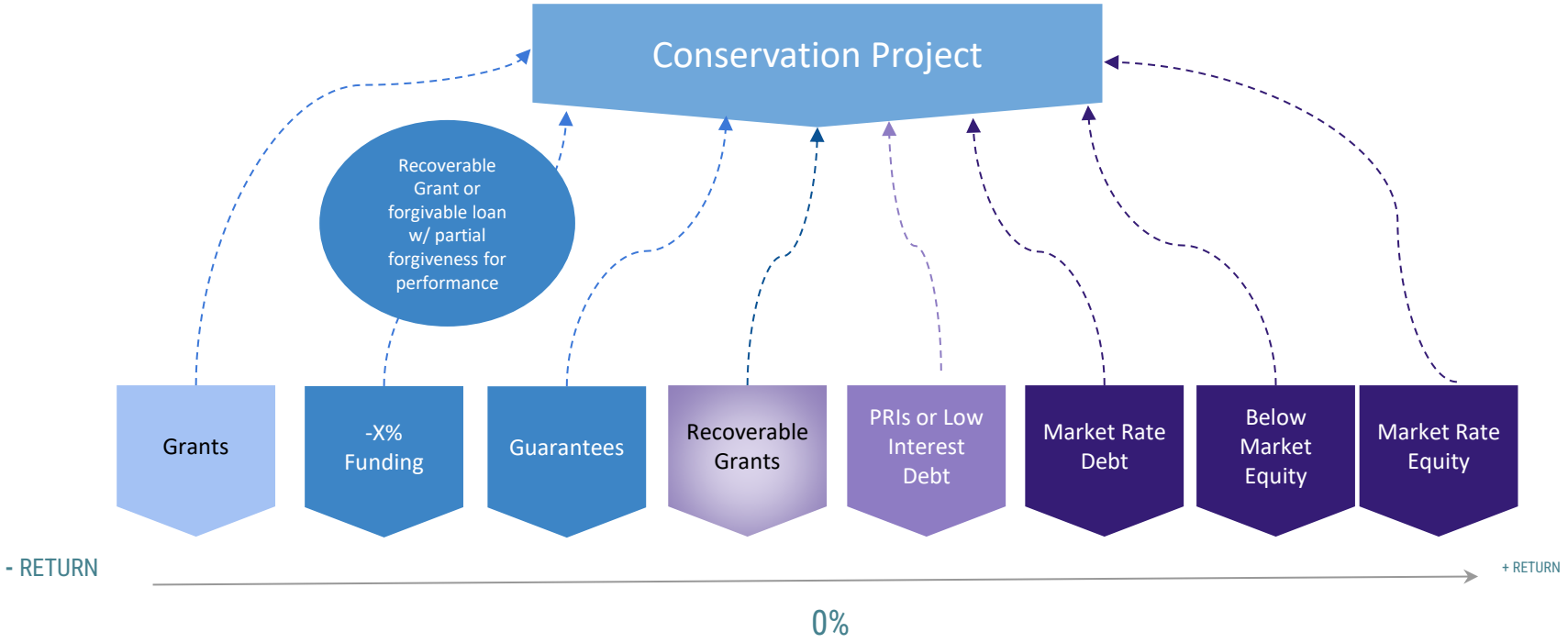
Pro's:

- Source of money when funding isn't available fast enough to meet seller's timeline

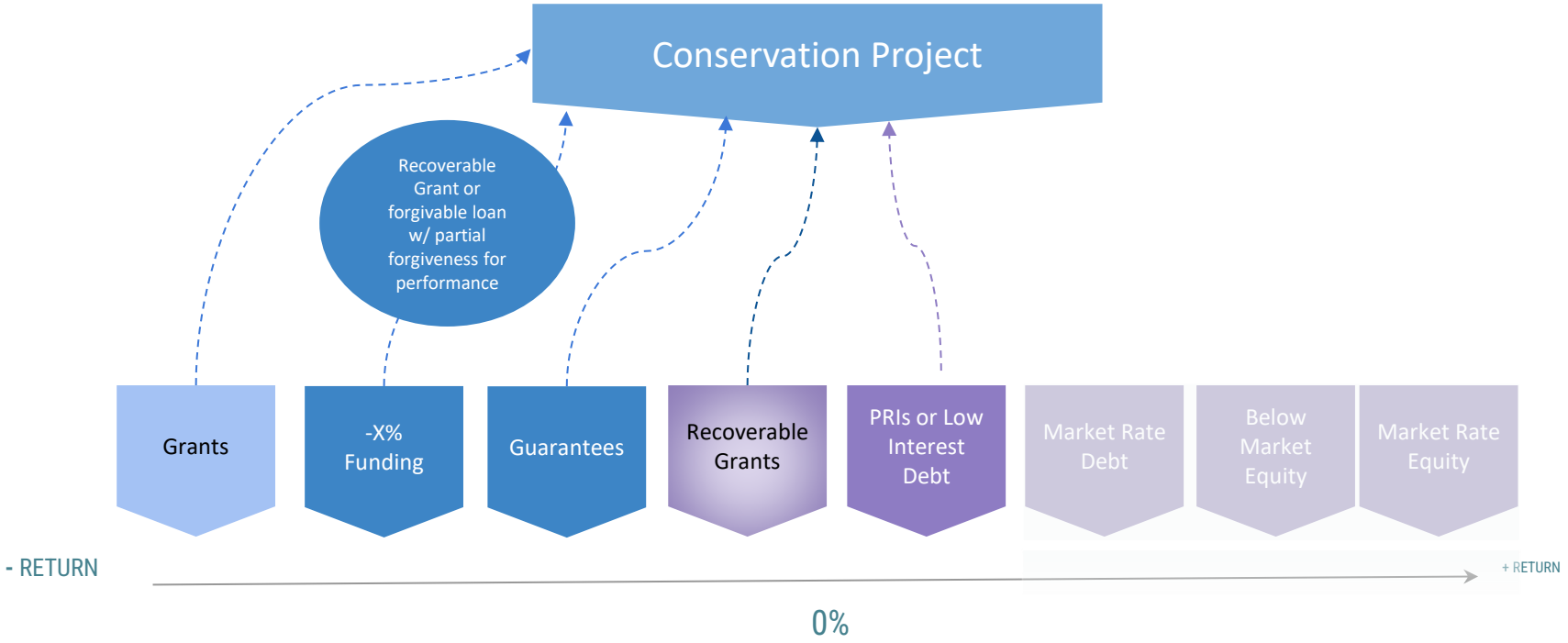
Constraints:

- Requires strong financial and management systems
- Perceived as risky by some boards

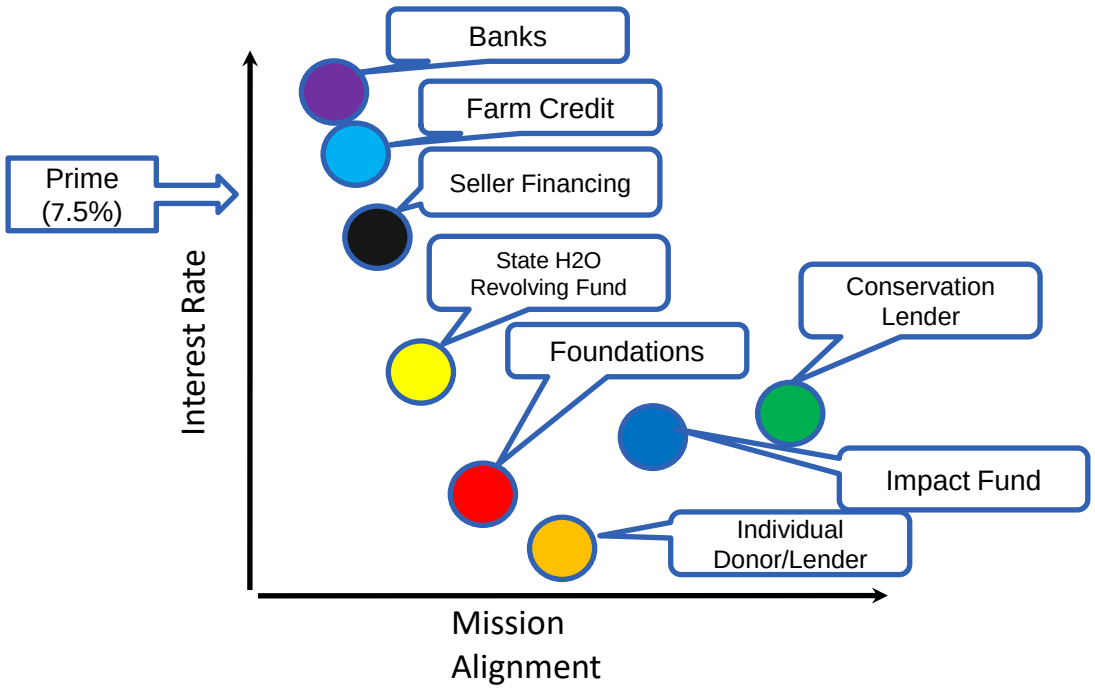
Potential Sources of Capital for Conservation



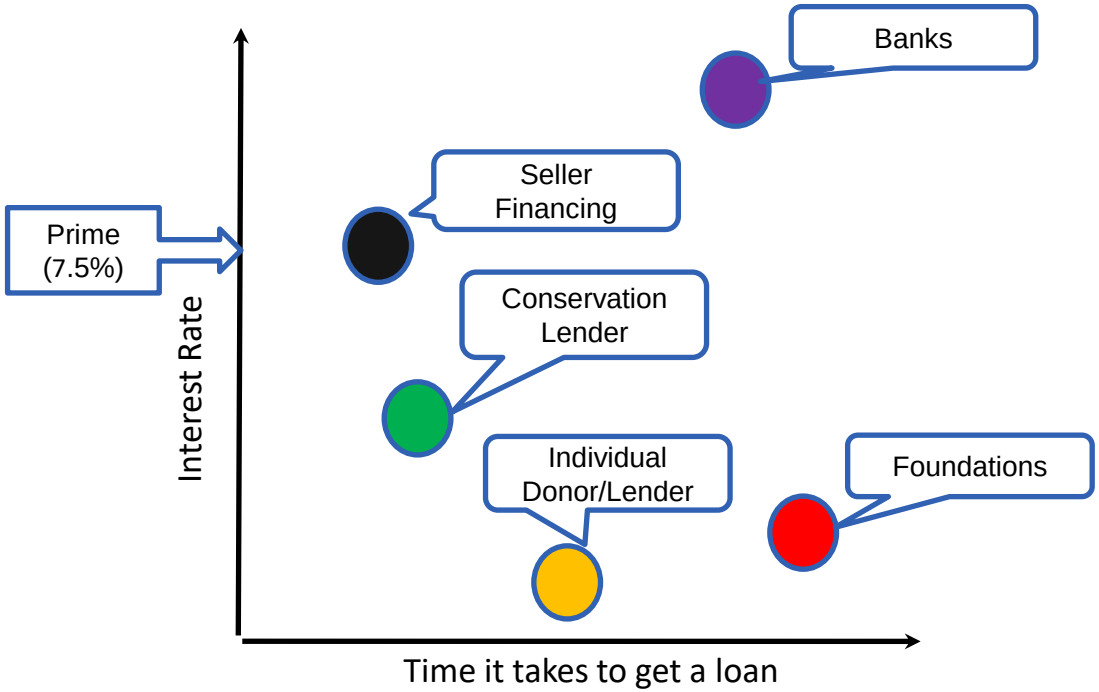
Preferred Sources of Capital for Conservation



Interest rate vs. Mission Alignment



Other considerations when picking a lender…



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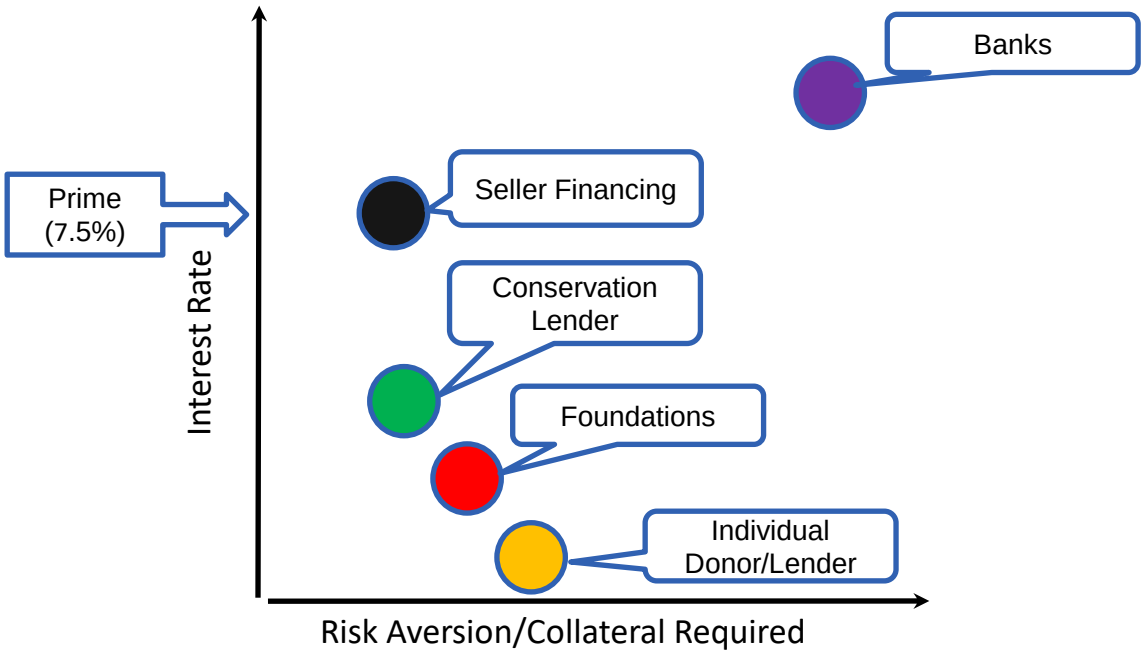

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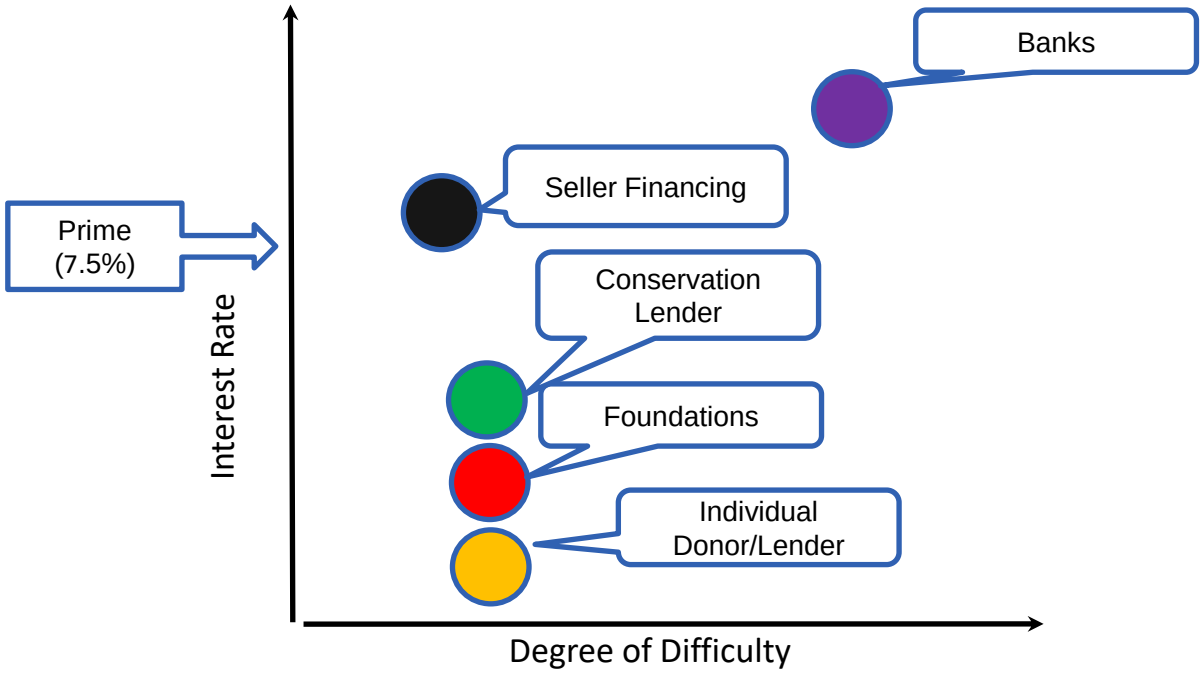


Questions to ask a lender

1. Do you lend to acquire raw land (?) conservation easements (?), or to _____?
2. How long does your underwriting/origination/application process take?
3. What are your fees?
   - Origination
   - Prepayment
   - Extension
4. Do you have a min/max loan term?
5. What is your preferred payment schedule?
6. What is your preferred loan to value ratio?
7. What are your collateral requirements?
8. What happens if we can’t repay the loan?
9. What is your interest rate?

Questions a lender is going to ask you

1. How much do you need?
2. When do you need it?
3. For how long?
4. What's your repayment plan?
5. What do you have for collateral?

Keys to borrowing success

- Communicate early and often!
- Ask for help!
- Think like a business
- Tell a story
- Thank your lender
- See #1 - Keep lenders updated on progress (or lack of - See #2)

Aspetuck Land Trust

Borrowing Money for Land Protection

Bill Kraekel, President

Peter Cawley, Treasurer

Debt Financing Models

- Seller financed mortgage
- Bridge loan
- Seller financing vs institutional borrowing

Debt Policy in Practice

- Debt policy requires reserve funds to cover
  - 18 months of operating expenses
  - Funds sufficient to pay off debt on demand
  - BOD vote of two-thirds required to override these levels

- Reserves are the sum of…
  - All cash and cash equivalent balances in non-endowment funds
  - Fixed income portion of the unrestricted endowment

Case History

- Gilbertie's Farm (seller financing)
- Belknap Property (bridge financing)

Session Discussion and Q&A

Resources

Land Trust Alliance
Guidelines, Standards, & Best Practices for Borrowing

Conservation Finance Network
www.conservationfinancenetwork.org

CFN Monthly E NEWS & Articles

- How to Introduce Land Trust Boards to Conservation Finance
- Good Crops, Good Credit: How a Northwest Land Trust Sustains Farmland with Capital

BOOKS

Island Press

Use code "CFN25" for a 25% savings

A Field Guide to Conservation Finance

Recordings

Boot Camp Recording: Borrowing Money

TOOLKITS

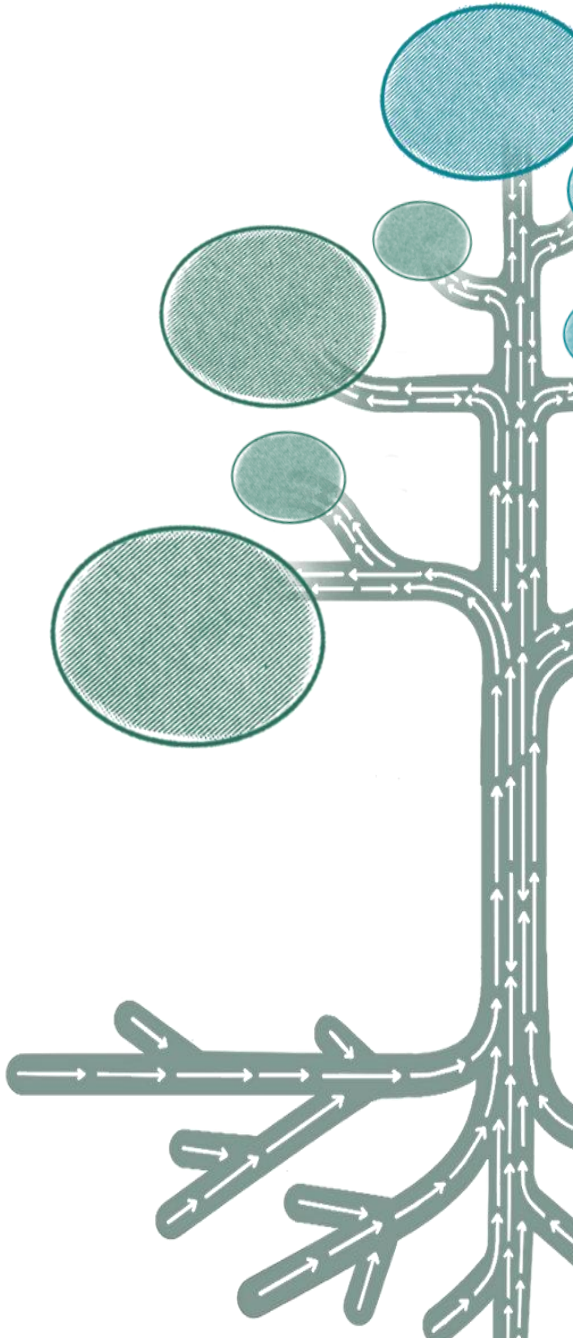
Bridge Financing (Borrowing Money)

Resource: The Conservation Loan Collaborative

Combine the power and scale of a fund manager with the knowledge and networks of local groups, regional coalitions and funders…

to launch and grow a wide array of revolving funds to mobilize and deploy catalytic capital…

and thereby enable the conservation community to achieve conservation, restoration and resilience goals at the pace and scale required.



Resource: Capital Solutions

- Financing for projects that do not meet other Green Bank programmatic criteria
- Allows for review, competitive selection, and award through an Open RFP process.

Thank You!

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CONNECTICUT
Land Conservation Council

Share your thoughts! Scan the QR codes below to fill out evaluations online for the 2025 Connecticut Land Conservation Conference

General Conference Evaluations

Workshop Evaluations