Raymond Community Forest Project Proposal
to the Raymond Board of Selectmen
Presented by Loon Echo Land Trust and the Raymond Conservation Commission
May 14, 2013

The Raymond Community Forest Concept Project was first presented to the Raymond Board of Selectmen on August 14, 2012. The presentation and handout detailed the 347 +/- acres of forestland in North Raymond located on Conesca Road (see attached Map) which is owned by Hancock Land Company (HLC). The presentation described the Raymond Conservation Commission's (RCC) interest in the property since 2007 and recent communications with Loon Echo Land Trust (LELT) and HLC to advance a potential community forest project.

The Selectmen asked for more information, mainly on the strategy (how to secure the land), project budget, ownership and potential income sources that the property may provide in the long term. Since then the RCC and LELT have met on several occasions to advance these issues to have a definite proposal to the Selectmen.

LELT has a history of successfully negotiating and carrying out contracts with timberland owners on behalf of, and in partnership with, towns in the Lake Region. It is important that LELT gains the Selectmen's commitment to sharing the efforts to carry out this project to the best of the partners' abilities.

Strategy to Secure the Land:
LELT and HLC split the costs of conducting an appraisal to determine the fair market value of the property. The appraisal showed an average value of $1,611 per acre. LELT and HLC have negotiated a sale/purchase price of $1,450 per acre.

The LELT Board has approved entering into a low-risk option agreement with HLC. HLC has asked that the parties agree to such terms by May 31, 2013. LELT would be the party to enter into the agreement and pay a deposit of $1,000. LELT, with the support of Raymond, would have until December 31, 2014 to exercise the agreement. If exercised, the property must be purchased within one year, by December 31, 2015. HLC understands that this project is heavily dependent upon securing several major grants that are highly competitive in nature.

Project Budget:
Expenses

$506,000	Land purchase
$15,000	Transaction related fees (boundary survey, appraisal, legal, title, closing costs)
$15,000	Administration, fundraising
$5,000	Management planning
$30,000	Endowment(s)
$571,000	Total estimated expenses

Income

$400,000	Major and minor grants
$50,000	Town of Raymond
$121,000	Private fundraising campaign, local drives, etc.
$571,000	Total estimated income

Timeline (Summarized):

2013

- February/March – RCC and LELT form strategy. Purchase terms negotiated with HLC.
- May 14- Selectmen review and comment on the proposal (goal = preliminary endorsement of project). RCC and LELT provide further information if needed.
- May 31- LELT and HLC sign the low-risk option agreement;
- Summer/fall- Write grant to the US Forest Service Community Forest Grant, pending Congressional budgeting and grant announcement;
- December- Write grant to the Land for Maine's Future Program, pending grant announcement;

2014

- Spring- Learn the results of the two major grant applications; determine if parties are to proceed with agreement based on grant application results. If favorable…;
- Spring- LELT and Town enter into a Letter of Understanding, roles are defined; Hold informational meetings as necessary/desired;
- June- Raymond Town Meeting, vote to allocate funds to project;
- Summer/Fall- Meet with select major donor prospects to gain commitments to the project;
- Summer/Fall- Continue to write smaller support grants;
- December- Exercise the agreement only if ample funding is committed.

2015

- Year-round- Conduct town-wide campaign to fulfill the project budget;
- December- Purchase the land; develop a management plan and conservation easement.

Ownership Model:

To advance the recommendations in Raymond's Open Space Plan and to have a signature conservation and recreational property in Raymond, it is recommended that the Town own and manage the property as a community forest and LELT hold a perpetual conservation easement on the land. This model will allow both parties to commit to conserving the land for the benefit of the public, while working in partnership to care for the land and monitor its uses. The Town will benefit from the long-term income source in the form of commercial forest management returns. An estimate of long-term forest income is summarized below. Such income would offset losses in property tax revenue plus give additional income for managing the land or other Town projects/programs during years where more substantial timber harvests take place. The Town's decision to own the property may be made after the option agreement is signed, as LELT is willing to sign the agreement while giving the Town ample time to consider community forest ownership and management.

Estimate of Forestry Returns:

Based on a preliminary tour of the land in Fall 2012 it was estimated that approximately 300 acres could be ready for selective cutting in 10 years, having been harvested four to five years ago. A selection cut that took 30% of the timber would be possible. Based on an estimate that $250/acre of wood value is currently on the property, the revenue in 10 years is estimated to be 0.3 x $250/acre x 300 acres = $22,500, or $2250/year. Considering that the current tax revenue from the property (which is in Tree Growth) is $2,358, and assuming a selection cut every 10 years, the timber revenue appears capable of substantially offsetting most of any tax revenue that would be lost under town ownership.

Management Considerations: Management of the land would start with the recommendations outlined in a future forestry, wildlife habitat and recreational management plan. It should be developed around the time the land is purchased. The management of the land may be minimal to moderate in effort if the trails that are constructed are to be un-surfaced, which is most suitable for low-impact uses such as walking, hiking, snowshoeing and cross country skiing. The existing ATV trail that extends from private property to the top of Pismire Mountain should be maintained and managed in partnership with the neighbors and/or clubs that have developed the trail system. There should be a designated parking area and a map made showing the trails and parking area. The property boundaries will need to be maintained and repainted at least every 10 years.

The budgeted endowment would assist both the Town and LELT in such maintenance and monitoring efforts. It is suggested that monies raised for the endowments be equally split and then invested by each party according to their own investment policies. The interest earned on the investments would support annual management expenses incurred by the Town and annual conservation easement monitoring and reporting expenses incurred by LELT.