

A Tale of Two Land Trusts: Strategies for Success

Audrey Rust

Land trusts across the United States differ vastly in terms of age, size of protected acreage, mission, strategy, budget, and context. Audrey Rust, an acknowledged conservation leader and the 2012 Kingsbury Browne Fellow at the Lincoln Institute, is in a unique position to parse the differences between two strikingly distinct yet successful preservation efforts in the American West. She served as president and CEO of the Peninsula Open Space Trust (POST) in Palo Alto, California, for 24 years until July 2011, and she is now a board member of the American Prairie Reserve (APR) in Bozeman, Montana.

APR is one of the nation's most ambitious new conservation efforts, aiming to assemble 3.5 million acres and create the largest wildlife complex in the lower 48 states—in Montana, the nation's fourth largest state with the seventh smallest population (just one million as of 2012). By contrast, POST encompasses only 2 percent of APR's projected acreage, yet is considered remarkably successful for amassing 70,000 acres of very expensive open space, farms, and parkland in a densely settled region, from San Francisco to Silicon Valley, with more than seven million inhabitants.

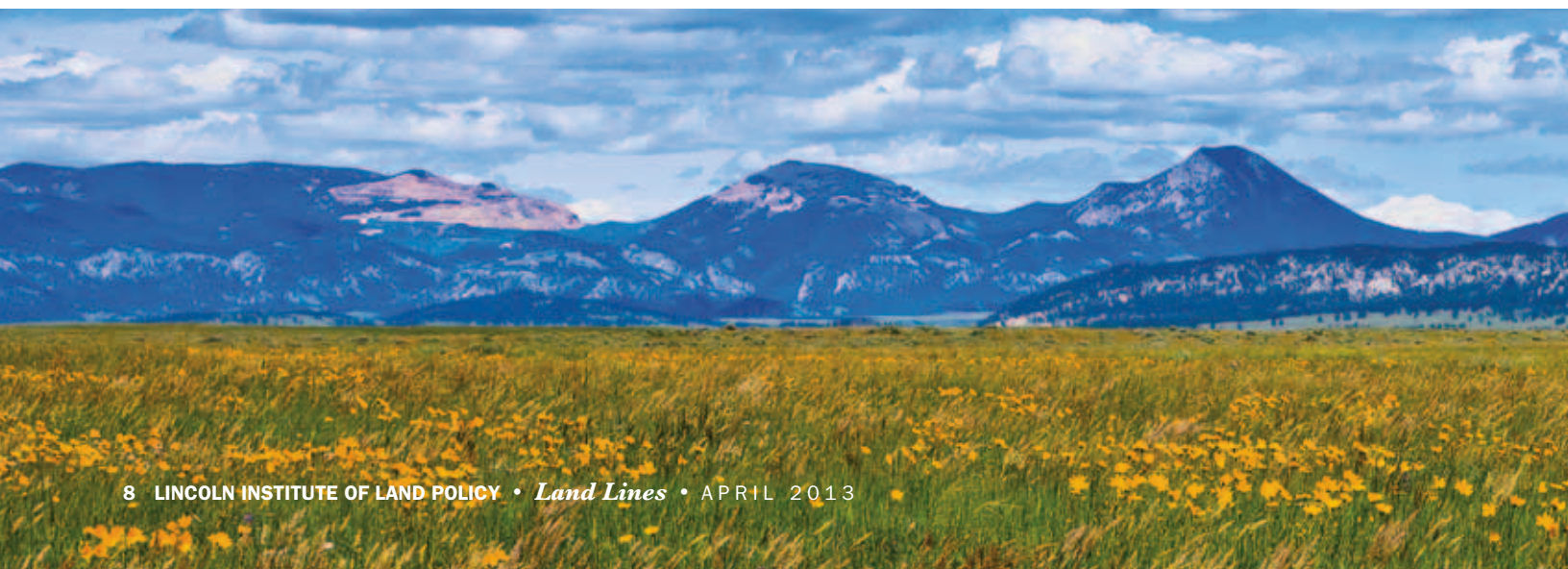
Spring on the American Prairie Reserve.

Despite their dissimilar profiles, these organizations share a surprising number of similarities. In this Q&A with the Lincoln Institute, Rust compares POST's and APR's particular histories and characteristics, based on her first-hand experience with each organization, and offers some universal lessons for all involved in the difficult and challenging work of preserving open space.

***Lincoln Institute:* How did the Peninsula Open Space Trust begin and what is its mission?**

Audrey Rust: POST is a 35-year-old, traditional land trust in a dense metropolitan region, which has grown significantly since POST was founded in 1977. It began as a private conservation partner for the Midpeninsula Regional Open Space District, a public, tax-supported agency on the San Francisco Peninsula (figure 1). Working on the urban fringe, POST would raise private funds on behalf of the District and take on an occasional land donation project. To this day, all the territory it protects lies within a major metropolitan area.

Given POST's densely populated location, it was essential from the beginning to immediately include opportunities for low-intensity public recreation and provide exposure to the biodiversity



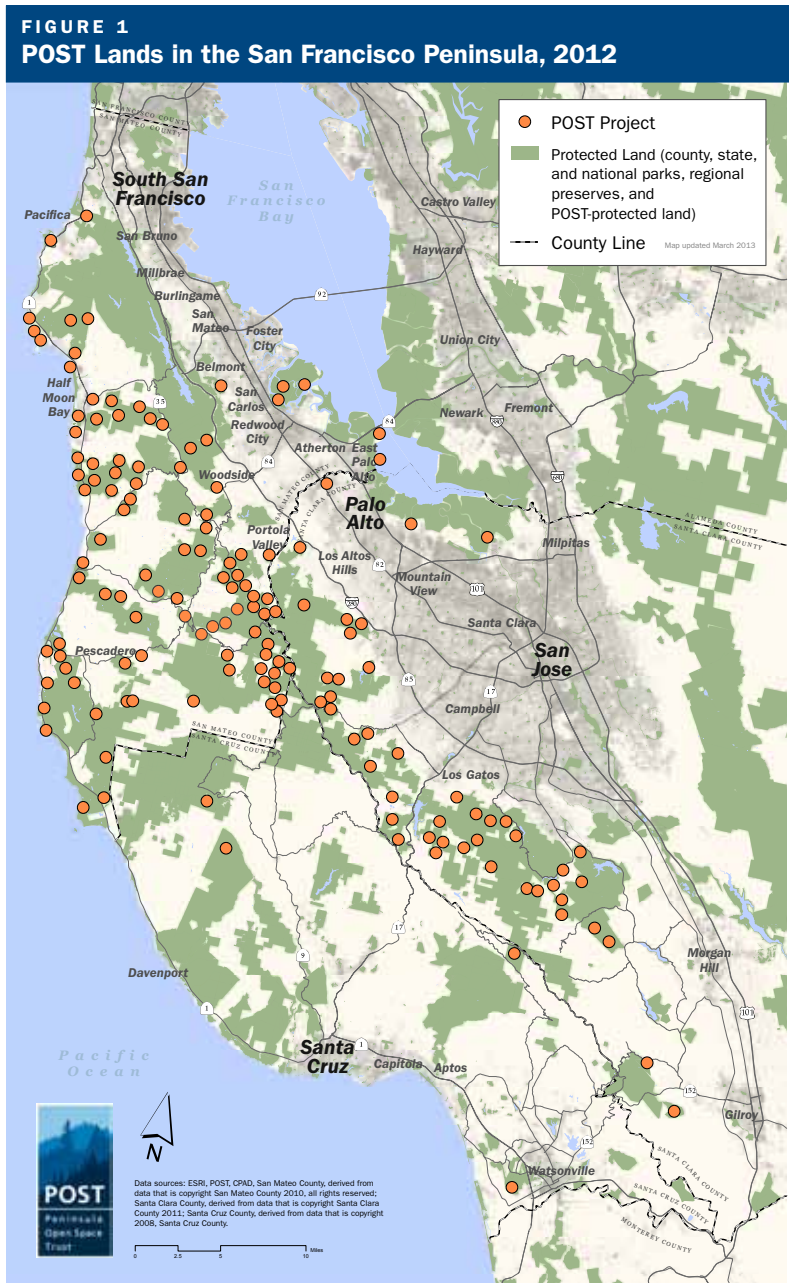
of the peninsula, where within a 12-mile transect one can pass through at least nine distinct ecosystems. POST works to assure a system of interconnected open lands in corridors along the San Francisco Bay, the Santa Cruz Mountains, and the Pacific Coast. No specific number of total acres is contemplated, unless a particular campaign is underway, but giving people a place to experience nature is a driving force.

Lincoln Institute: How do the genesis and mission of the American Prairie Reserve compare?

Audrey Rust: Since it was founded in 2002, APR has amassed 274,000 acres but seeks to permanently protect some 3.5 million contiguous acres of short-grass prairie as a wildlife reserve in northeastern Montana—one of only four places on earth where such a conservation effort is possible (figure 2). The idea originated from research done by a group of nonprofit conservation organizations working in the northern Rockies, with science assistance from the World Wildlife Fund at the start.

APR is reintroducing plains bison that are free of cattle gene introgression and intends to develop a sustainable herd of 10,000 animals while restoring other native species including prairie dogs, black-footed ferrets, and burrowing owls. APR acquired a lot of land quickly, but it will take decades to reintroduce wildlife and foster significant growth of species populations.

Federal lands form a large part of the wildlife habitat APR is assembling. The Reserve lands are adjacent on the south to the Charles M. Russell National Wildlife Refuge and on the west to the Upper Missouri River Breaks National Monument,



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which figures prominently in our nation's history as part of the Lewis and Clark expedition.

Lincoln Institute: What are the key challenges for POST and APR?

Audrey Rust: Funding any conservation work is always the biggest challenge. The first hurdle is identifying potential donors and getting their attention. To do that, you need a clearly articulated vision and the ability to make the project relevant to the potential donor. Validation of the mission from a third respected party is key. You also need some means for the donor to experience the relevant work and feel appropriately included, in addition to a well-developed relationship that results in an appropriate request for support made at the right time.

Lincoln Institute: What are the particular funding challenges at POST?

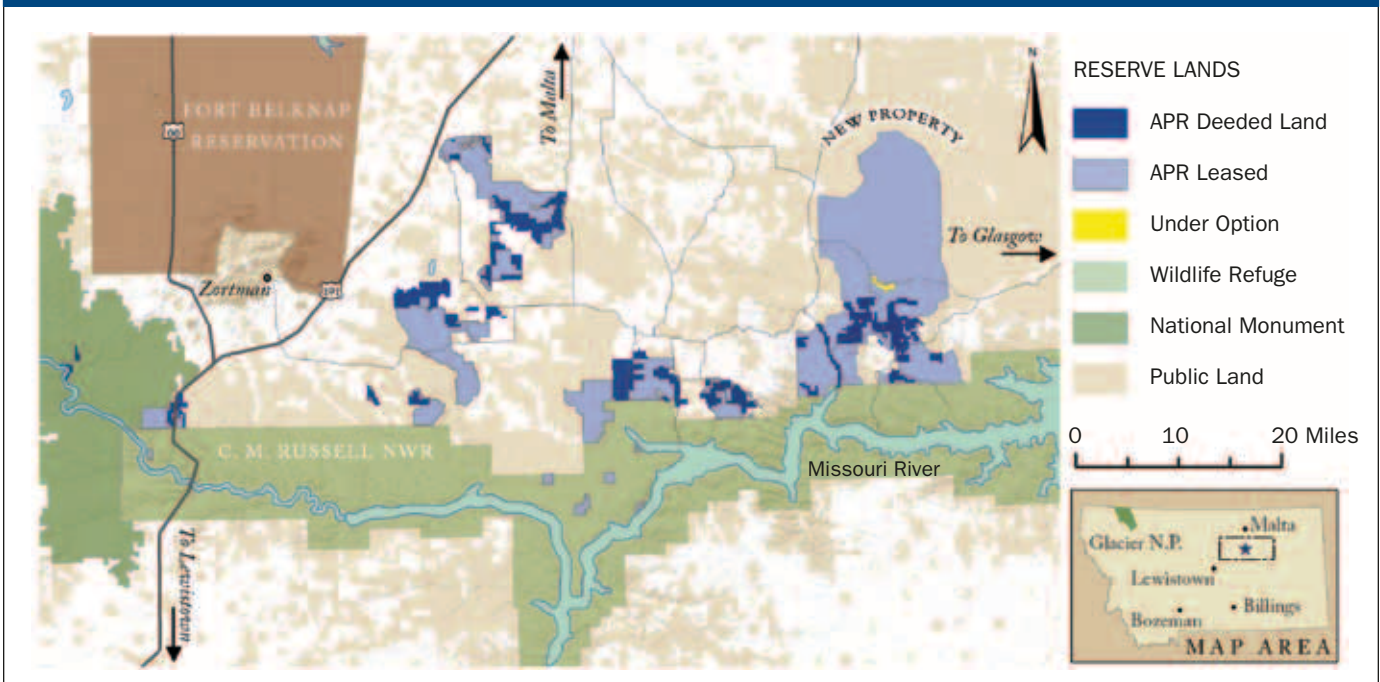
Audrey Rust: In the San Francisco Bay Area, millions of people see and appreciate how proximity to nature enhances their quality of life, but most do not know the role POST plays in assuring this; or, if they do know, they don't necessarily feel moved to support POST's work financially.

Competition for philanthropic dollars within the small geographic area of Silicon Valley is intense. All the major conservation organizations, plus Stanford University's powerful fundraising machine, operate in the area.

Fundraising takes a traditional course at POST. There is a well-developed annual giving program that moves many donors to the upper capital gift levels. Many of them are willing to lend their networks to the effort, and because of the successes of the organization and the existing donor list, people feel comfortable and supported by their community when making a gift. POST's model has also depended on finding and creating public funds and then selling land or easements to a public entity, at or below the price paid by POST, allowing the organization to return donor funds to be used again and again.

POST also faces the challenge of success. Often leadership-level donors are ready to move on to new ideas and new environmental issues, seeing that their personal impact is not as visible as it would be in starting their own new organization. Some donors feel they have done their part, and now it's someone else's turn. New top leadership-level donors are as difficult as ever to attract.

FIGURE 2
American Prairie Reserve Lands in Montana, 2012



Source: American Prairie Reserve



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Lincoln Institute: How do APR's mission and goals affect its fundraising strategy?

Audrey Rust: APR faces what is often called a “pipeline” problem. As a relatively new organization—and one where the potential donor population is both scattered and at a great distance from the Reserve—finding the right people has required many false starts and unproductive gatherings. It has been difficult to expose potential donors to the project in ways that can build a philanthropic relationship. Although board members are willing, only a few have networks that have proven productive for APR. It's difficult and expensive to assess the real interest of a potential donor, estimate his or her likely gift level, and develop an ongoing relationship with a person who is geographically removed. As yet, status is not associated with being a supporter, and the enormity of the campaign goal (\$300 million to \$500 million) dwarfs even million-dollar gifts. Any practical campaign would need to attract a gift of \$80 million to \$100 million at the top of the fundraising pyramid.

Building a productive leadership-level prospect list is only worthwhile if meetings and relationships

can happen. Geography creates difficulties when there are not enough people in one area, and efforts can't be leveraged. Time is a key element in building the needed relationships.

Because of its rare size and scope, however, APR may have singular appeal to extremely wealthy individuals who, like the Rockefellers decades ago, could create this Reserve with their philanthropy alone. This is the unfulfilled dream of every executive director. Chances are slim, but history shows it is possible. APR's model has never looked to public funding as a way to leverage private dollars, since the leased public lands are in some measure doing just that.

Another key funding challenge for APR is the scale of the project. Impact comes in increments of 50,000 or 100,000 acres in a landscape where conservation biologists have determined that a mixed-grass prairie would need to be approximately 5,000 square miles (roughly 3.2 million acres) to be a healthy, functioning ecosystem that supports the full complement of native prairie biodiversity.

Just south of San Francisco, Rancho Corral de Tierra was slated for development until POST preserved its nearly 4,000 acres, now managed by the Golden Gate Recreation Area.

***Lincoln Institute:* How has the leadership at both organizations handled the funding challenges?**

Audrey Rust: At both APR and POST, the first president/executive director, who also served as a board member, had a solid business background but no experience fundraising or running a non-profit organization. The second board chair of both organizations was a successful venture capitalist and was viewed as a founder. All these leaders were charismatic and well-connected. Last but not least, both founding executive directors had to contribute or lend substantial funds to the organization to keep it afloat.

APR's founding President Sean Gerrity is still at the helm after ten years, and his passion for conservation is undiminished. The time needed for extensive travel and meeting the financial needs of the organization was more than a full-time job, however, and none of the development professionals he hired could relieve his load. On the premise that potential donors want to meet someone with a title, two years ago Gerrity made a major change in how the organization functions by hiring two managing directors who are able to carry a significant fundraising and content load. The strategy requires regular telephone or in-person meetings to stay aligned on all aspects of the organization, but it's working. Organizing around the managing director model has allowed APR staff to travel more and develop better donor relationships. Current personnel have been in place for fewer than two years, but they are making progress.

***Lincoln Institute:* How did you weather the fundraising challenge at POST?**

Audrey Rust: When POST hired me to replace Founding Executive Director Robert Augsburg in 1986, my first mission was to raise \$2 million in a few months in order to exercise an option on a key coastal ranch, POST's first truly independent project.

I understood the local donor community and had a good deal of experience in fundraising and nonprofit management. I was completely absorbed by the work and the need to meet our financial obligations. Although travel usually wasn't necessary to raise funds, the proximity of potential donors meant that every weekend, every farmer's market, every local event was an opportunity to connect. We undertook one major project after

another, doing good conservation work and building momentum, but I was exhausted.

To solve this problem, I also found really good staff people. My approach, however, was traditional: Get enough money in the bank to hire adequate staff and ensure one of them was a young lawyer with potential to take on additional responsibilities and leadership. I would continue doing large-gift fundraising as well as oversee key land acquisition strategy and negotiation, and others would take over more of the day-to-day work and administration. The ability to grow the staff and delegate some of the work was a major step forward for me and the organization.

***Lincoln Institute:* What has been POST's basic approach to land acquisition and how has that affected its financial strategy?**

Audrey Rust: Both POST and APR want to connect existing public lands through acquisition of adjacent, privately held property, and both have treated local conservation entities as key allies in the task of preserving biodiversity, providing public access, and creating a larger vision of a protected landscape. Their different basic land conservation strategies, however, lead to very different funding patterns and long-term financial impacts.

POST plans to transfer all the land it protects, and most of it will go into public ownership as federal, state, and county parks or to one of the regional open space districts for its management and permanent protection. Agricultural land, protected by strict conservation easements, is sold to local farmers. POST retains the easements along with an easement endowment fund to assure their monitoring and compliance.

The first project POST undertook in the late 1970s resulted in the gift and subsequent sale (at half the appraised value) of a highly visible property adjacent to the town where a high percentage of potential donors lived. The funds resulting from this sale allowed POST to save some additional lands. However, the organization progressed slowly for nearly a decade, with no real financially sustainable land protection strategy in place.

In 1986, driven by an opportunity to purchase a 1,200-acre coastal ranch, POST optioned the property, which required owner-financing, significant fundraising, and later statewide political action. Success led to the creation of a working capital fund that allowed POST to repeat a similar strategy

several times, focusing on prominent and ambitious conservation projects. Gaining a reputation for delivering on its promises, POST transitioned to raising funds in a capital campaign for a much larger inventory of property. Having working capital freed POST to focus on what *needed* to be done, rather than what *could* be done.

Lincoln Institute: What were the key accomplishments and shortfalls of POST's strategy?

Audrey Rust: POST was able to build working capital and show donors a leveraged return. Success built on success, and today POST operates with a working capital account of more than \$125 million. Protected land was never at any risk of being lost due to financial issues. The type of public funds used, coupled with private gifts, provide further assurances.

Each accomplishment has given POST the confidence to move to another level in direct protection, restoration, and collaboration. Sustainable forestry, affirmative easements on farmland, conservation grazing, and exotic species removal are all now a part of its conservation arsenal.

On the other hand, a broad vision of what the future could hold was never well articulated, as POST essentially worked in an incremental fashion. Stirring the imagination of leadership-level entrepreneurial donors, the primary wealth in the Valley, became more difficult as time went on. It was also difficult for the organization to embrace the restoration and management of land being held for later transfer.

As public funds have begun to dry up, public agencies are less likely to take on the obligation of additional land ownership. POST experiences both the expense of holding the property indefinitely and the inability to sell the land to return capital to its account.

Lincoln Institute: What has been APR's basic approach?

Audrey Rust: APR faces a different situation in Montana, where the privately held ranches are far larger than any parcel in the Santa Cruz Mountains, and their owners control additional vast tracks of federally owned leased land. APR intends to hold these private fee lands and leases in perpetuity. Privately raised endowment funds will be required to ensure the management of these lands.

APR wanted to show from the beginning that it could make real progress on its large conservation vision, despite the lack of funds. APR moved quickly to acquire land and the accompanying leases using owner financing. The leadership of the organization felt putting a stake in the ground was the only way to begin to attract the money it would need to acquire the property that would make up the Reserve. Without sufficient fundraising experience or a developed prospect list, the struggle was enormous. Until recently, only minimal funds were held in reserve, making it extremely stressful to meet financial obligations, especially for debt.

The American Prairie Reserve seeks to restore the region's population of burrowing owls.



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Lincoln Institute: What are APR's key accomplishments and ongoing challenges?

Audrey Rust: Persistence and good work are now paying off. Critical advances include the opportunity to acquire fees and associated leases on a 150,000-acre ranch and in 2012 a very important gift from one of the organization's largest supporters. APR also began building a high-end "safari camp" to open in 2013 that will allow them to bring leadership-level donors to the prairie, build relationships, and deepen their connection to the land.

The organization has a track record, demonstrating its ability to get things done, and can begin management practices to foreshadow future activity. Reintroducing genetically pure bison is a charismatic example. Extraordinary opportunities for acquiring key pieces of land can now be pursued. Without significant working reserves, however, APR staff and leadership are under great stress to meet their financial obligations. This creates a climate of looking for quick delivery on donations rather than developing the kind of leadership gifts the organization needs most for the long haul. As yet, plans are incomplete for assuring the permanent private protection of the acquired lands. Land that carries owner financing or is especially well priced may be purchased, even though its priority for acquisition may not be high. Raising the necessary endowment funds for the ongoing stewardship of the land has been slow.

Lincoln Institute: In conclusion, what are key commonalities between these two very different organizations?

Audrey Rust: POST and APR are at different stages in their organizational growth, and their futures are based on their most obvious differences and track records. However, it is possible to identify similar key elements leading to success:

- Capable leaders who are committed for the long haul;
- Strategy that fits the size of the vision;
- Developing funding sources that take years to come to fruition; and
- Partnerships with public agencies to leverage the conservation work.

Both organizations continue to face significant challenges in funding their goals. POST has successfully transitioned to new leadership and is pursuing ever larger and more complex conservation initiatives. Its success has dominated the organization for so long that it is difficult for new philanthropists to find something to "invent" and support. It is a very well-run organization, which leaves little room for the new Silicon Valley elite to provide their trademark "we can do it better" involvement. POST needs to do more to identify and attract those very few top-of-the-pyramid donors. This challenge is especially difficult because government participation has virtually ended, and POST's three largest donors are no longer making grants, in the \$20 million to \$50 million range, to this type of conservation. Further, it is difficult to point to an endgame, and, without it, the organization will lose urgency and gift support.

APR is new and exciting. The organization has sought a creative partnership with National Geographic, which produced an hour-long video called *The American Serengeti*, elevating APR's mission and bringing with it the national prominence APR needs to raise large gifts in the national arena. It is during this time that key leadership donors must become involved. In all nonprofit organizations, funding pyramids are becoming more and more vertical. Campaigns such as this one often depend upon one or two donors to make gifts equal to half or even two-thirds of the total goal. Without these donors, staff members are worn out by raising money, and the cost of fundraising rises rapidly.

I am convinced that the size, scope, and ability to measure the vision held by an organization are key determinants of success. Donors and the public in general are elevated by the idea that we can change our world. Clearly articulating and promoting that vision is instrumental. POST needs to work on its messaging to better articulate its current vision. APR needs to find more venues to effectively communicate its vision and develop a critical mass of supporters. **I**

Conservation leader Audrey Rust, the 2012 Kingsbury Browne Fellow at the Lincoln Institute, will lecture on "The Peninsula and the Prairie: Regional and Large Landscape Conservation," at Lincoln House on May 1, 2013, at noon (lunch is free).