



Inyo National Forest Campgrounds: Business Plan

Kickoff Meeting

July 14, 2020

Kickoff Meeting Agenda

- 📍 Introductions
- 📍 QV Overview
- 📍 Inyo National Forest Campgrounds
Project Planning & Discussion
- 📍 Appendix

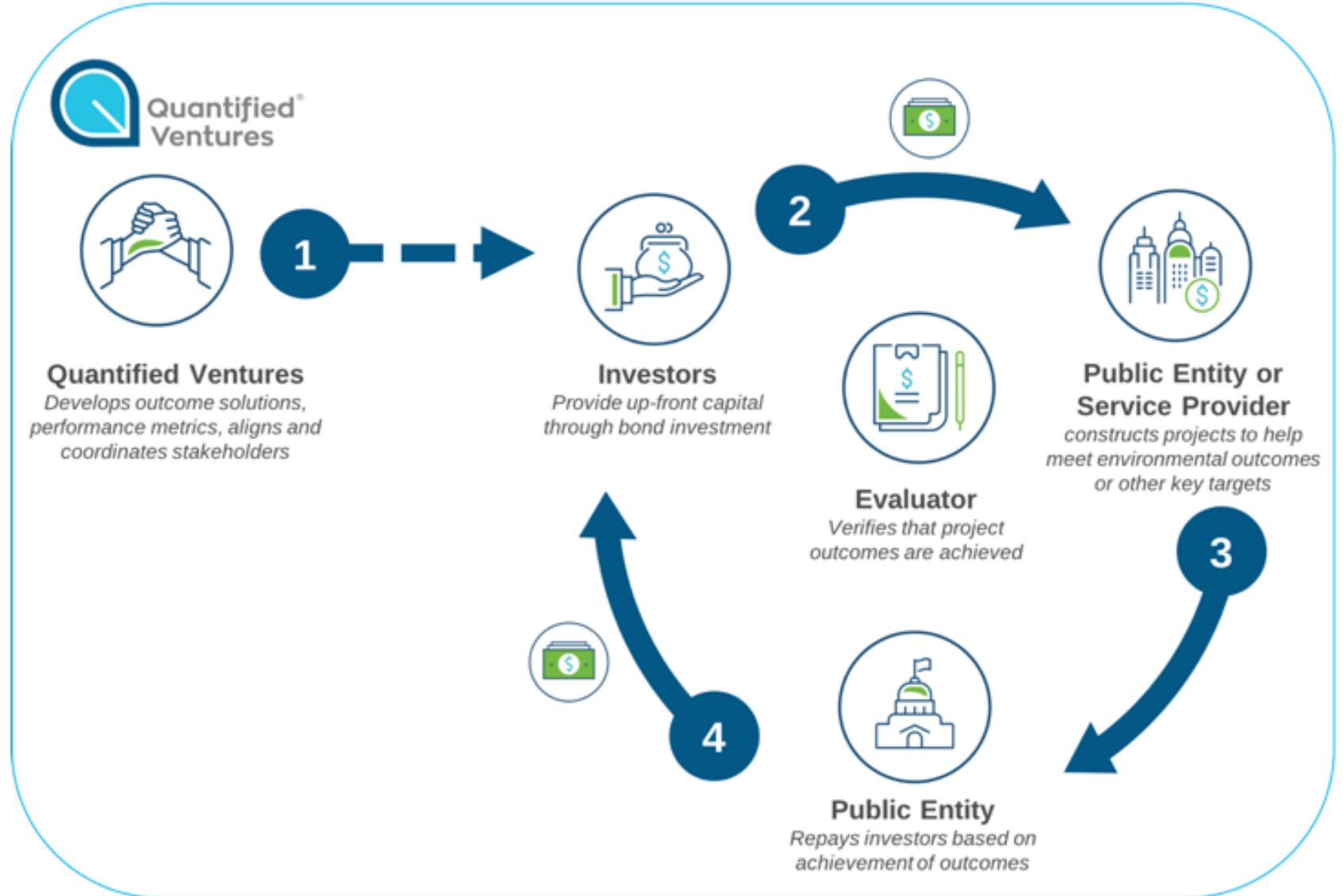


Quantified Ventures is an
outcomes-based capital firm
that drives transformational health,
social, and environmental impact.

Commit to:
Driving impact

Linking financial results to
Proven outcomes

Making a sustainable
Outcomes-based financing
Marketplace



Benefits of Outcomes-Based Financing

- **Transfer performance risk** of innovative projects to investors
- **Access new sources of investment capital**
- **Showcase partners** and their projects, attracting internal and external support
- **Engage diverse and new stakeholders** benefiting from projects
- **Measure and track outcomes** through embedded performance evaluation
- **Establish external accountability structures** that foster commitment and support sustained partnerships



Photo courtesy of WEF

We develop outcomes-based financing structures to drive capital to projects across 4 Practice Areas



Forestry and Land Use

- Wildfire risk reduction
- Outdoor recreation & economic development
- Sustainable land use
- Urban wood reuse



Urban & Coastal Resilience

- Stormwater management
- Wetland restoration
- Flood mitigation
- Energy resilience
- Green jobs



Agriculture

- Carbon sequestration and nutrient reduction
- Agricultural best management practices
- Grassland preservation



Health and Human Services

- Housing retention
- Mental health and substance use
- Medical respite
- Advanced care
- Food insecurity

QV has a deep relationship with the USFS and was recently awarded 5 IFNF grants



QV's Relationship with USFS

Formal Partnership

- QV maintains an MOU
- QV shares an employee with the USFS National Partnerships Office

Project History

Region 9

- Baileys Trail System (Wayne NF)

Urban and Community Forestry

- Baltimore Urban Wood Project

Region 5

- HWY 89 Corridor Management Plan (Lake Tahoe Basin Management Unit)

Innovative Financing for National Forests

Innovative Finance for National Forests (IFNF)

Mountain Loop Highway

EIB / EIF feasibility study to finance \$10MM recreation infrastructure project

Colorado Wildfire Mitigation

EIF transaction structuring for phase 2 of fire mitigation project in Colorado

Oregon Coast Salmon

EIB / EIF feasibility study to finance salmon habitat restoration across Oregon

Mammoth Lakes

EIB / EIF feasibility study to finance \$70MM multisite campground project

Coldwater Visitor Center

EIB / EIF feasibility study to finance \$20-30MM Mt. St. Helens visitor center upgrade

Inyo National Forest Campground: Business Plan



Project Planning

Purpose

- Campgrounds do not meet current needs: layout, capacity, deferred maintenance, and location. Climate change adds to these pressures.
- QV will put together a Business Plan that explores non-federal sources of funding and financing, aligning with permit renewal processes.

Activities

QV will conduct a 12-month development of this business plan, with three main components:

- Profitability Study: identify revenue opportunities in campground investments
- Financing Strategy: explore combining investments from concessionaires and private capital via outcomes-based financing
- Implementation Plan: recommend financing strategy based on above components

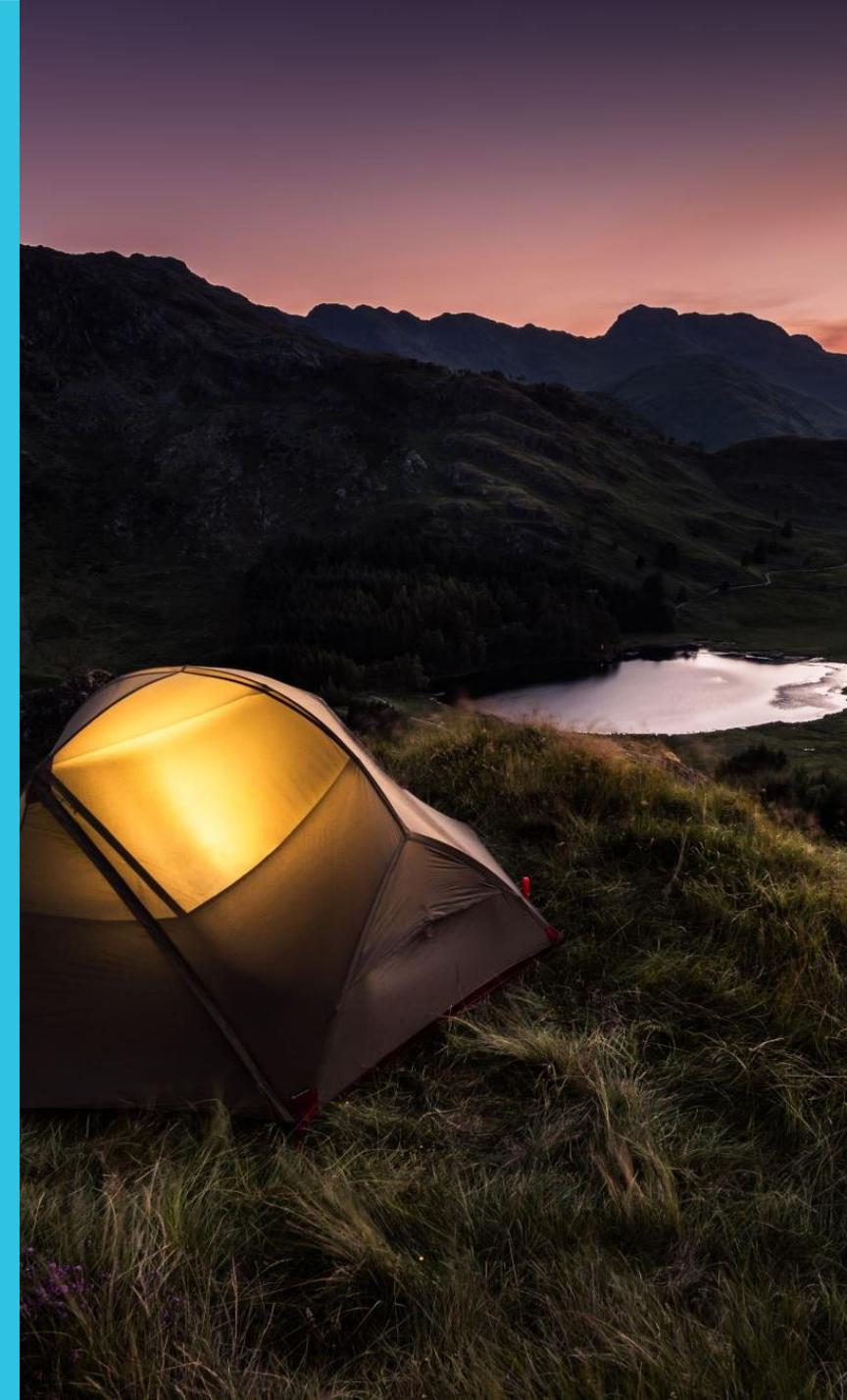
Updates from MLTPA & USFS

- What is current status of the Inyo campgrounds and concessionaire permit renewals?
- What, if anything, is missing in our scope?
- Any new developments for QV to consider?



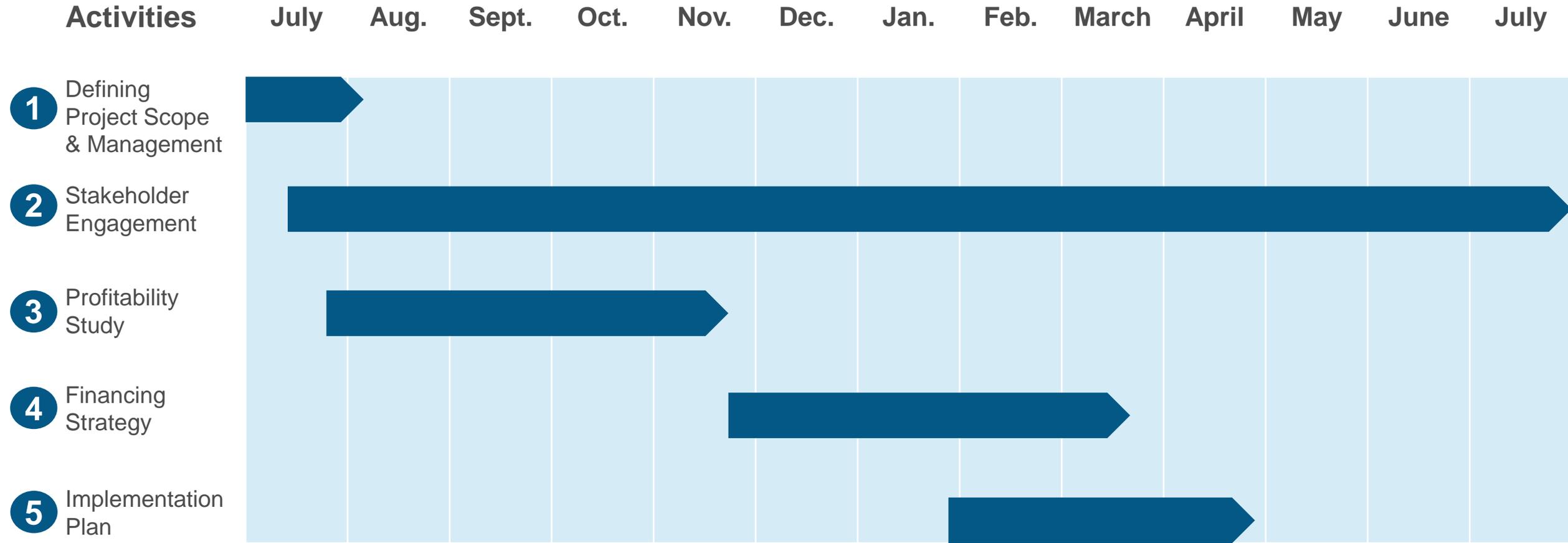
Discussion

- What are Inyo National Forest and MLTPA hoping to get out of this engagement?
- What does success look like for USFS and MLTPA? For you personally?
- What are potential risks, roadblocks, or barriers the QV team should watch out for?
- Who has experience with similar projects outside this team we could learn from? Other regional examples?
- Who are key partners QV should begin developing relationships with to complete this plan?
- What are key deadlines for your team?





Simplified Project Plan





Proposed Project Management Framework

Project Core Team

QV

- Seth Brown (Project Executive)
- Laura Drescher (Project Manager – day-to-day contact)
- Michelle Shin (Project Support)

MLTPA

- John Wentworth

US Forest Service:

- Nora Gambino, Inyo National Forest
- Sherry Reckler, Region 5

Questions

- Who else should be represented in the core team?
- Who needs to be informed?

Logistics

Core team Meeting Frequency

- 1x week starting week of July 13?

Informed Group Meeting Frequency

- Discuss

Stakeholders

- Discuss

Data Sharing

- Google Drive / Box?

Questions:

- Is there an existing meeting schedule where it's appropriate to share our updates as we go?



Data Request

Full Project Scope and Current Status

- Documentation of the problem: current conditions and relevant reports re: future impacts of climate change
- Future need: what do the needed upgrades look like?

Cost and Benefit Data

- Available cost data for upgrades, deferred maintenance
- Identification of revenue opportunities – all through permits?
- Current visitation, demand and revenue data

Permit Data

- Identification of applicable sites
- Revenue reports, Deferred Maintenance files, other existing permit documentation, including length of existing permits
- Relevant Agency Handbooks and Manuals
- Any financial or market analysis for permitted sites

Partnerships

- Enabling agreements with other key stakeholders
- Relevant information from Regions Rise Together, ESSRP, other stakeholders
 - *Citizen Suggested Desired Conditions* report from ESRC
 - *Climate Change Vulnerability Assessment* report by SRTI

Next Steps



Convene core project team (Quantified Ventures)



**Establish regular schedules for core and leadership teams
(Quantified Ventures)**



**Collect data to inform stakeholder engagement and cost-benefit analysis
(Quantified Ventures and key stakeholders)**

Questions and Discussion

QV Project Team

- **Seth Brown** brown@quantifiedventures.com
- **Laura Drescher** drescher@quantifiedventures.com
- **Michelle Shin** shin@quantifiedventures.com

We pioneered the first Environmental Impact Bond (EIB)

Quantified Ventures worked with DC Water to design and execute a \$25 million Environmental Impact Bond, the country's first.

DC Water faced an EPA consent decree due to overflowing pollution and waste in the sewage system. Rather than spending \$2 billion to build a new tunnel system, the EIB allowed DC Water to construct 20 acres of green infrastructure which captures 650,000 gallons of water annually.

The EIB produces numerous benefits, including:

- Stormwater mitigation
- Workforce development
- Access to green space & improved health outcomes
- Performance risk sharing between DC Water and investors



Award Winning

Government Finance Officers Association (GFOA) Award for Excellence in Capital Financing and Debt Administration

Bond Buyer Non-Traditional Financing Deal of the Year Award

We Work With Innovators, Risk Takers, Pragmatists, and Optimists

Governments



Environmental Organizations



Health and Human Services



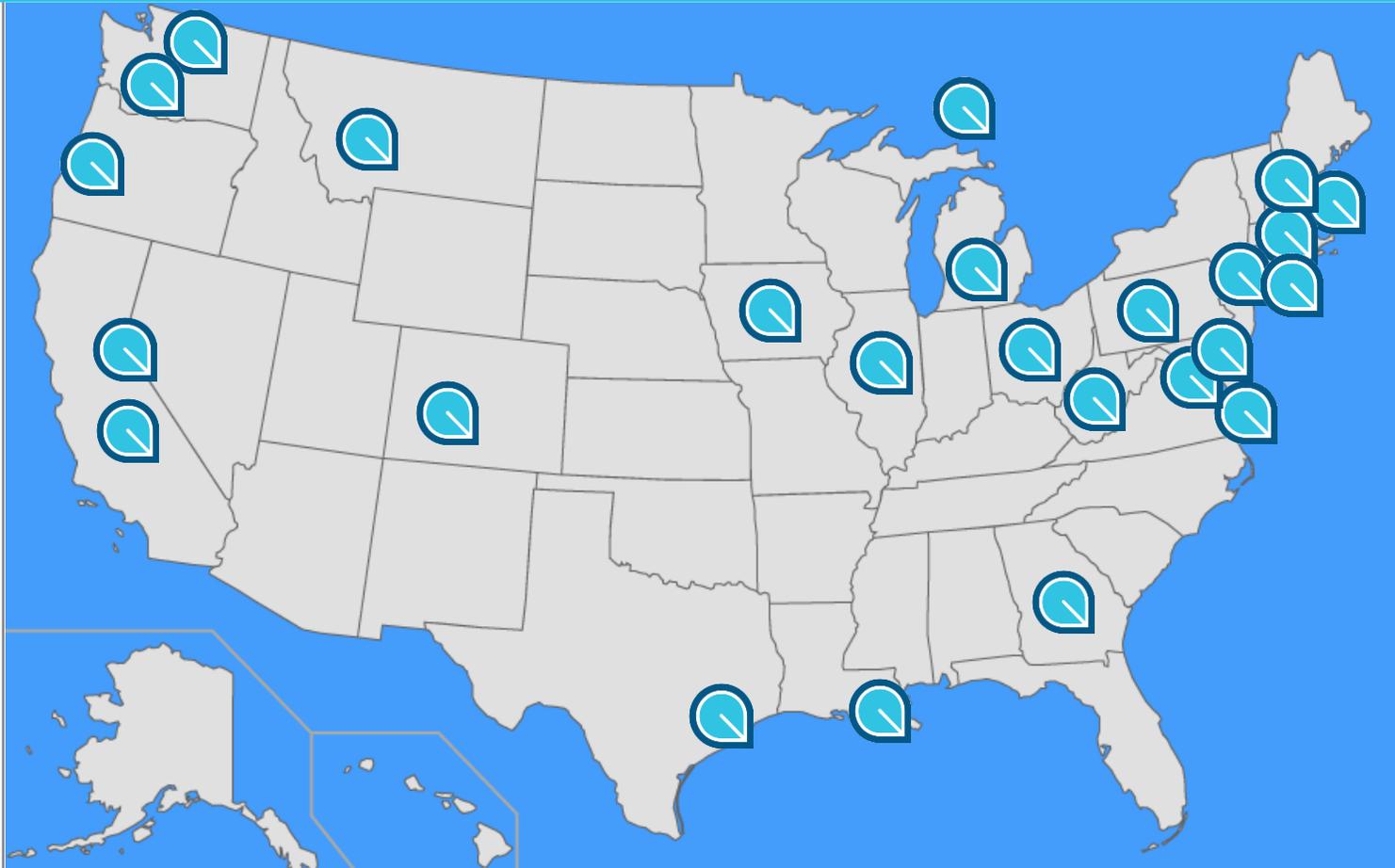
Foundations



Corporate Partners



Where We Work



We deliver:

- Consulting
- Project Development
- Investment

Our Practice Areas in Detail



**Forestry and
Land Use**



**Urban and Coastal
Resilience**



Agriculture



**Health and Human
Services**



Forestry and Land Use



Overview

By focusing on outcomes, we bring stakeholders together to finance the protection and sustainable utilization of forests. We accelerate conservation, preserve watersheds, promote forest health, and create jobs.

Applications

- Recreation Infrastructure Development
- Wildfire Mitigation & Forest Health
- Wood Products & Rural Economic Development
- Forests & Habitat

Representative Projects

- Baileys Trail System: Outdoor Recreation EIB in SE Ohio
- Wildfire Mitigation & Forest Health EIF in SW Colorado
- Urban Wood Projects in Baltimore and Detroit
- Reforestation of Abandoned Mine Lands (RK Mellon Land Activation)





Developing Recreation Infrastructure in Ohio

Multi-payor transaction enables mountain bike trail development

Outdoor Recreation EIB Goals:

- Provide much-needed up-front capital to construct new community recreation assets (88-mile bike trail system)
- Aggregate payors who benefit from the project to share in financing costs
- Base financing on economic development benefits from tourism to the region

Outcomes: economic development (job opportunities + tax revenue), health, connectivity, environmental restoration



Reforestation of Abandoned Mine Lands

Current Project

Exploring reforestation project in Pennsylvania across abandoned mine lands, following a similar model to Green Forest Works' large scale reforestation in Kentucky

Project Strength and Opportunity for Replication



Kentucky can serve as a model for PA's reforestation efforts, large conservation uplift, and revenues from carbon and timber



Impact potential for addressing abandoned mine land issues are high across multiple outcomes and with identifiable measurement



Scale of problem is large, with opportunity for employment tied to tree planting

Current Barriers to Success

- GIS layers don't tell the full story of reforestation locations, so will need work to identify the correct areas
- Will require a large investment in heavy machinery for restoration work
- Scale of problem is large and concentrated in rural areas, where identifying repayment streams may be challenging





Launching an Environmental Impact Fund in SW Colorado

Multi-payor fund enables long-term cross-boundary wildfire risk mitigation

Wildfire Mitigation EIF Goals:

- Increase the scale of interventions around the San Juan National Forest (nonfederal land) to reduce wildfire risk
- Stack payors, investors, biomass revenues, and public and philanthropic contributions to minimize funding required of small rural communities while repaying on risk mitigation outcomes
- Support local biomass industry (renewable power, biochar, etc.)
- Use municipal bond issuance to capitalize a revolving fund, enabling treatments to be implemented and self-sustainable over the long term

Outcomes: restored forests, reduced risk of wildfire, protected water resources, avoided economic costs, resilient communities in wildland-urban interface





Urban And Coastal Resilience

Overview

Preparing cities and coastlines for growing climate challenges and building resilience, our Urban and Coastal Resilience practice leverages outcomes-based financing to fill capital gaps for critical infrastructure projects that help build resilience in new and impactful ways, while improving economies and conditions in the most vulnerable communities.

Applications

- Urban Green Infrastructure
- Coastal Restoration and Living Shorelines
- Energy Security and Resilience

Representative Projects for Arbor Day Foundation

- Stormwater Management EIBs: DC, Atlanta, Baltimore, Hampton, New Orleans, Buffalo and Memphis (Water quality)
- Wetlands EIB: Louisiana





Building Green Infrastructure in Atlanta

Structuring the first-ever publicly offered EIB

Environmental Impact Bond Project Goals:

- Reduce stormwater runoff for environmentally and economically distressed neighborhoods using new, impact-driven sources of financing
- Improve green space and recreation
- Advance the City's capacity to implement green infrastructure
- Showcase the City's leadership-in-action by addressing pressing environmental, social, and economic equity challenges

Outcomes: Atlanta's Department of Watershed Management estimates that the green infrastructure projects have the capacity to absorb 55 million gallons of stormwater annually from flowing into the watershed

Additional co-benefits include:

- Hundreds of homes protected from future flooding
- Dozens of local sustainable jobs created
- Increase access to green space
- 100% of the green infrastructure implemented in economically distressed neighborhoods



Agriculture

Overview

Creating and sustaining our food supply through agriculture is one of the leading contributors to water quality impairment and increases to greenhouse gases. When managed sustainably, agricultural landscapes provide much more than just food.

Applications

- Water Quality and Quantity
- Carbon Sequestration
- Soil Health
- Rural Economic Development

Representative Projects for Arbor Day Foundation

- Soil and Water Outcomes Fund in Iowa





Soil and Water Outcomes Fund



Best Management Practices align stakeholder incentives

Transaction Goal: Working with Iowa Soybean Association to implement a first of kind multi-payor financial transaction to monetize the multiple benefits of agriculture BMP implementation

Outcomes: Reduced nutrient loading credited against municipal water permits, enhanced carbon sequestration in soils



Upstream farmers provided with financial incentives to implement agriculture BMPs like reduced tillage and cover crops and structural improvements like nitrate removal wetlands



Water quality outcomes sold to municipalities, carbon sequestration outcomes to agribusiness to meet supply chain sustainability targets



Health and Human Services



Overview

Health is the product of many factors, only some of which are driven by healthcare. Yet we continue to pay more every year for the latter, without sufficient attention and resourcing for the former, and we individually and collectively suffer the consequences.

Applications

- Housing Retention
- Medical Respite
- Mental Health and Substance Use
- Advanced Care Planning

Representative Projects

- Greenprint Partners: Health impacts of green infrastructure in Philadelphia





Quantifying the Health Impacts of GI in Philadelphia

Project Goal: Engage local healthcare stakeholders in an assessment of the positive human health impacts associated with urban green infrastructure (GI) projects in Philadelphia

Outcomes:

Collaborative financing of GI projects in Philadelphia that:

- Mitigate flood-related health hazards
- Reduce heat-related illnesses caused by air pollution
- Reduce chronic condition rates (obesity, respiratory diseases, etc.) through increased physical activity
- Improve mental health through reduced stress and anxiety

Program:

Synthesize Findings



Identify health outcomes associated with green infrastructure projects in Philadelphia

Engage Health Sector



Meet with health entities to assess benefit of green infrastructure impact on health

Quantify Impact



Develop an economic estimate of prioritized health outcomes