

ChicoryLane Foundation Startup and Tiered Expansion Plan

Executive Summary

- **Foundation Name:** ChicoryLane Foundation
- **Mission Statement:** To preserve ecologically significant undeveloped land and water, and to continue a program of ecological educational, aesthetic, and research activities associated with that land and water.
- **Primary Areas of Activities:**
 - **Reserve:** own and operate the ChicoryLane property in accord with stated conservation values and demonstrating principles and practices for ecological enhancement, perhaps serving as a model suitable for other properties, other land owners. This activity deferred at startup.
 - **Institute:** host multiple events and/or exhibitions providing in-depth learning and aesthetic experiences; also hosting emerging ecological research, such as Gross Ecosystem Product methods applied to O(100 acre) conserved properties.
 - **Administration:** Provide program support services such as preparation of support materials, communication with the public, and event support. Also providing or overseeing bookkeeping services, endowment management, preparation of 990-PF tax forms, and IRS compliance.
- **Funding Source:** endowment from single family, ranging from \$200,000 to eventual \$4,000,000, increased in several specified tiers. Additional resources can be made available in early stages by the family, if needed. Yearly income expected to be generated by 5% return on investments.
- **Location:** Spring Mills : Penns Valley: Central Pennsylvania : On-Line . . .

Objectives

- To engage an under-served cohort of participants:
 - Landowners, interested in ecology
 - Landowners, interested in conservation easements
 - Landowners, having conservation easement on their respective properties
 - Adults, interested in in-depth learning about ecology
 - Individuals, interested in on-line learning about ecology
 - Individuals, interested in aesthetic and/or contemplative engagement with the natural environment
- To maintain the endowment at constant value while providing 5% minimum annual returns
- To grow the endowment as needed for new program initiatives through donations or grants from other foundations or government sources
- To partner with local organizations for event hosting educational and aesthetic events pertaining to natural landscapes.
- To increase community awareness of conservation and ecological improvement.

Program Plan

- **Event Planning:** Detailed plans for approximately six events each year, including objectives, target audience, resources required, and expected outcomes. Topics will vary in response to interest and opportunity.
- **Administrative Services:** The board will provide fiduciary oversight of all staff or outsourced services. Anticipated services include:
 - Bookkeeping services providing conventional accounting
 - Wealth/Portfolio management services maintaining desired balanced asset allocations and advice regarding individual investments within prescribed risk tolerance parameters.
 - Annual compliance services including valuation of investments in accord with IRS prescribed methods, calculation of required returns on investments, preparation of annual 990-PF returns, and establishing parameters for mandated expenditures on exempt activities
- **Ownership and Operation:** The ChicoryLane property is an ecological reserve. It has been owned and operated privately for some 50 years. It will continue this arrangement for a period of time, necessitated by stringent IRS regulations. The property will be transferred to the ChicoryLane Foundation at a future time when conditions described below under Financial Plan: Phase 1 allow. After acquisition, the ChicoryLane Foundation will own, operate, and maintain the property using expanded financial resources provided. See financial Plan, below.

Market Analysis

- **Community Needs:** The State College/ Penns Valley area, according to a recent study reported in the NY Times, is one of the most nature-oriented communities in the country as reflected in access to the natural environment. Consequently, there is constant demand for varied natural environments that people can enjoy for relaxation, contemplation, and learning. The population is growing. We are confident that ChicoryLane's ecologically oriented contributions will complement existing resources.
- **Competition:** Several conservation and environmental organizations function in the area. Both Clearwater Conservancy and Centre County Farmland Trust are nearby land trusts. They hold and monitor conservation easements on some 60 properties and hold various social and fund-raising events each year. Clearwater also offers occasional nature-oriented recreational walks. Millbrook Marsh and Nature Center, run by the Centre region Parks and Recreation Authority, is a natural wetland that provides public access and offers various boardwalk and nature programs, often oriented toward younger participants. Rhoneymeade Arboretum and Sculpture Garden is a formal garden and sculpture park that is a frequent host to both public and private events. Penns Valley Conservation Associations is a public oriented organization best known for hosting several conservation themed social and community-building events. It also hosts occasional conservation work projects, such as stream bank restoration efforts.

- **Opportunities:** ChicoryLane is notable for the variety of habitats it encompasses. Streams, riparian areas, wetlands, vernal pools, grasslands, three kinds of forests with their different flora and fauna. These varying areas are all accessible by mowed grassy paths. ChicoryLane is also oriented toward older, more mature participants with special emphasis on landowners interested in improving the ecology of their own properties. Activities are often oriented toward small, 12-15 participant groups that invite in-depth engagement and on-going or multi-event inquiry.

We will also address several research interests. We are actively engaged in the notion of *ecological enhancement*. We will continue to develop this concept, techniques, and methodologies that can be used by others, as well as assessment methods that can inform its application on other sites. We are also just beginning to explore the extension of Gross Ecosystem Product concepts to small, conserved properties.

A more long-term interest is in hosting an “ecologist in residence” program, analogous to extended writer in residence programs, that will enable extended, self-motivated projects, particularly ones that might take advantage of the varied ecology of the ChicoryLane Reserve. We also envision a future program addressing the historic buildings of Penns Valley, including the many distinctive barns and log residencies in the Valley.

Operations Plan

- **Location and Facilities:** The Foundation will be located at ChicoryLane near Spring Mills. In its initial stages, it will use the property for its activities under a no-cost license from the private landowner. Upon the planned acceptance of title to the property and its facilities, which we refer to as the ChicoryLane Reserve, it will assume responsibility for maintaining and operating them. These additional expenses will be offset by a schedule increase in the Foundation’s endowment, accompanying transfer of the title. It is anticipated that upon receiving title to the ChicoryLane Reserve, the foundation will increase its use of the physical facilities of the property.
- **Staffing:** Initially startup services will be provided by contractors, volunteers, and the Board. (While the property is in private ownership, all expenses associated with its maintenance and operation will be the responsibility of the private landowner.) At Phase 1, we expect to add half-time program and research staff persons and various part-time staff as needed. At Phase 2, an operations and land management staff person will be added as well as additional part-time facilities staff.
- **Technology and Equipment:** Office setups will be needed to accommodate 1-2 part-time staff persons. Several computers will be needed as well as internet, email, and web services. Much of this is expected to be donated by the landowner.

Financial Plan

- **Endowment:** Basic operation will be provided by an annual 5% return on endowment, scheduled circumstantially to progress through three stages:
 - **Startup:** Extends from inception and continues until the last-to-die of the two originators (D2), John and Catherine Smith. Initial funding expected to be \$200k resulting in \$10k annual income; this can be extended to \$500k resulting in annual \$25k, as needed.
 - **Phase 1:** Extends from (presumed) D2 until death of last-to-die of the founders sole heir (Ian Smith). Funding during this period expected to increase endowment to total \$1.3m resulting in annual \$65k.
 [Property Trust: External to Foundation, at D2 additional \$700k as well as title to ChicoryLane property will be assigned to separate Property Trust for its private maintenance until D4 or at such time that heir choses to assign Property Trust to the Foundation. When Property Trust dissolved, Foundation will assume operation and maintenance of the ChicoryLane property. At that time, Foundation endowment will be increased by expected \$700k to total \$2m resulting in annual \$100k.]
 [CRUT: At D2, a separate charitable remainder unitrust (CRUT) will be established to provide annual income for sole heir (and spouse) until their deaths or 20 years. CRUT will be established with endowment of \$2m resulting in expected annual \$100k minimum annual distribution (5%) to its beneficiary.]
 - **Phase 2:** Begins following D4 death of sole heir, his spouse, or 20 years, and extends *in perpetuity*. CRUT dissolved and remainder of its endowment, expected \$2m or more, transferred to Foundation endowment, resulting in total Foundation endowment of \$4m resulting in expected annual \$200k.
- **Financial Management:** The Foundation will be designed to operate largely on the return on its endowment. (Annual budgets will be based on mandated annual returns.)
 - Whereas the board will provide fiduciary oversight of the endowment, professional portfolio/wealth management services will be needed.
 - Additional specialized accounting services will also be needed to establish the value of the portfolio annually as required by the IRS, to calculate required expenditures, and to prepare the annual 990-PF return.
- **Budget:**
 - **Income:** annual 5% distribution from Foundation endowment expected to progress from \$10k at startup, to expected \$65k at Phase 1, to expected \$200k at phase 2. Between phases 1 & 2, interim increase to \$100k is possible. As additional opportunities arise, capital resources may be sought from other foundations or government programs. One example might be an Ecologist in Residence program, analogous to Writer in Residence programs.
 - **Expenses:** Annual operating budgets will be based on revenues available from mandated returns on the endowment. They will include event costs, administrative services, marketing, and any salary or wage expenses. Following acquisition of the ChicoryLane property, operation and

maintenance costs of the Reserve will be included in the Foundation budget. (These additional expenses will be covered by accompanying increases to the endowment.)

Marketing and Outreach

- **Marketing Strategies:** Perhaps the best strategy for promoting ChicoryLane events is local familiarity and word of mouth. We also maintain an extensive database of contact information and use industry standard email blast software to advertise individual events, as well as send reminders shortly beforehand. We also cooperate with cooperating organizations, described below, to share copy for their own newsletters and communications. We are currently developing plans for promoting events and the foundation's mission through social media, local media, and local radio.
- **Sponsorships and Partnerships:** We often host or co-sponsor events with local educational and conservation groups. This year we have scheduled two cooperating events with the State College Birding Club, two native plant events with Penn State Extension, and one reforestation event with Penns Valley Conservation Association.

Evaluation and Impact Measurement

- **Metrics for Success:** For our Institute events, we will seek follow-up comments and suggestions from participants. As a private foundation supported through private resources, we are more interested in qualitative responses than numerical growth figures. That is, we intend to grow the number and kinds of activities we offer, but will continue to emphasize small groups and in-depth participation. For our Reserve activities, metrics will be left in the hands of its landowners until such time as the property is transferred to ChicoryLane.
- **Annual Review:** Annual review of activities and goal achievement will be subjects for a partial-day retreat help by the Board augmented by activity leaders. Financial review will be ongoing through reports prepared by our treasurer and/or accounting services provider.

Conclusion and Future Directions

- ChicoryLane Foundation is committed to enriching the community through continues ecological and aesthetic educational activities and through preservation of the ChicoryLane reserve. We will continued to provide public access to the land in a manner appropriate for this significant ecological environment.
- Long-term goals exist for both the Reserve and the Institute components of our mission. Once the property is acquired by the Foundation, it will more directly serve as a testbed for refining our ideas regarding ecological enhancement. One research goal is to develop metrics for assessing enhancement. Institute goals will include opportunistic extension of our program of activities and

our enhancement methods. We will also explore more profound concepts such as Gross Ecosystem Product, analogous to GDP. Our particular focus will be on mapping ecosystem benefits against biomes not just with respect to economics but also inherent ecological benefits.

We also will consider hosting an *ecologist in residence* program. It will allow individuals engaged in self-directed projects to pursue their work in a setting conducive to concentration for a protracted period of time.