

## A Tale of Two Parcels: Case Examples Using REPI in Coastal Georgia

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Topics: **Habitat**

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### IN BRIEF

**WHEN GEORGIA COASTAL LAND BECAME AVAILABLE**, two distinct acquisition strategies came into view.

**WITH APPROACHES TAILORED TO EACH PROPERTY**, partners pooled capital and expertise to safeguard the land.

**AND SO THE NATURE CONSERVANCY AND THE CONSERVATION FUND (A SPONSOR OF THIS NETWORK) JOINED WITH THE NAVY** to secure a thriving future for the gopher tortoise and other living beings.

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In the southeast corner of Georgia, bisected by Interstate 95, sits the county of Camden. One side of the county features a complex coastline highlighted by the winding East River and Satilla Rivers and their tributaries. The Cumberland barrier island sits atop these river mouths dampening the wave action from the Atlantic. The result is a mosaic of pristine marshland and tidal creeks eventually giving way to maritime forests, swamp forests, and pine flats. This is the location of two properties that have found their way into conservation due to the creativity and hard work of national and local partners alike.

The properties, known as Ceylon and Cabin Bluff, are less than 5 miles apart. They came available, and therefore came under risk of development, within roughly a year of each other. Both caught the eye of conservation organizations and other local stakeholders as priority landscape for protection of key ecosystems and the species that make these lands their home. However, where the story of these properties diverge is in the method of purchase and protection that ultimately kept these landscapes from incompatible development and potential degradation.

Every land deal is different. When a prime piece of real estate hits the market, conservationists need to be able to act and act quickly. This requires interested buyers to look for ever-changing combinations of funding sources to fit always-shifting partner priorities and capacities. It is no easy task to get the financing and the timing right. However, with collaboration between partners, flexibility can be found that helps conservationists act when a great property hits the market. The acquisitions of Ceylon and Cabin Bluff are two great examples for how a healthy network of professionals working across public and private interests can piece together the financing when priority lands come to sale.

### ***Cabin Bluff***

The Nature Conservancy (TNC) staff took notice when they heard the Cabin Bluff property was coming up for sale. The expansive former hunting and fishing resort had been on their radar for a long time though was never available.

When it was finally listed by 2017, TNC realized that it had special overlay zoning that would have allowed 1,000,000 square feet of development. Already located in a commercial industrial

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thoroughfare, this designation meant that the land was highly threatened. TNC quickly and excitedly made an offer but it looked like the property was going to slip through their fingers. The property owners moved ahead with an offer from a developer.

When that deal fell through, TNC made another offer with the help of a low-interest loan from Georgia Finance Authority for the majority of the list price. This was supplemented by a no-interest loan from the Open Space Institute in exchange for an 8% interest in the property.

This time TNC's offer was accepted, and they secured a contract on Cabin Bluff in 2017. TNC's bold strategy had paid off but they also had to act with next to no committed funding. Additionally, they still had to figure out the method of protection that would ultimately guard the lands from future harm. And someone would have to pay for this protection. Thankfully, beyond OSI and the State agency who had stepped in to help close the deal, TNC also had an emerging partner relationship with the Kings Bay Naval Submarine Base (NSB Kings Bay).

Around the time that the Cabin Bluff was coming together, a previous encroachment protection agreement with the Navy was expanded to include NSB Kings Bay. This meant that TNC, along with the GA DNR, the Navy, and other partners, could write a proposal to have the Department of Defense's Readiness and Environmental Protection Integration (REPI) Program to set up a buffer project at the base.

With NSB Kings Bay now a formal REPI project site, the partners applied for two pots of funding from the REPI program. Regular REPI grant funding and a nationally competitive pool of funding known as "REPI Challenge" that supports innovative approaches to protecting the military mission. The work of the partners to develop this program paid off, as the Navy was able to successfully apply for 8 million dollars of REPI funding to go towards easements on the property.

As is common in large, complex transactions, protection of Cabin Bluff was completed in phases. TNC needed to subdivide the roughly 11,000 acres to meet the needs of different buyers. The state determined 8,000 of the acres could become an excellent wildlife management area. However, the other 3,000 acres included buildings and other infrastructure that the State did not have interest in managing and couldn't afford to buy. They were looking at least two separate easements, and eventually two separate outsales that stood between them and paying off their loans.

To tackle this challenge, TNC got to work. Staff started raising private funds and working with State and Federal programs to find the right partners for Cabin Bluff. The 3,000-acre tract

church had been using the buildings on the property when it was under previous ownership, and officials reached out to TNC when they saw that the tract was on the market.

The church functions and other recreation uses would be no problem for the easement terms. The easement on this portion was co-held by the Navy and the State. The State had received from US Fish and Wildlife Service in the form of a National Coastal Wetlands grant and a National American Wetlands Conservation Act grant.

Money for the purchase of the 8,000-acre wildlife management area tract came from a number of different sources. The State applied for and used 5.5 million from US Fish and Wildlife Service grants, 4 million from the Forest Legacy program, 2.5 million from GA Outdoor Stewardship Program, and private funds that were raised by TNC and went towards discounting the state's purchase accordingly. The easement on this tract was funded and held by the Navy.

As 2020 comes to a close, Cabin Bluff has been successfully eased and TNC will be taking the last steps to place all tracts in the hands of their buyers. From access to low or no-interest financing to the creativity of their state and federal partners in pulling together a capital stack for purchase, all the way down to the dedicated supporters and donors who believe in the mission of conservation – the benefits of healthy partnerships are clear. And in the case of Camden County, Georgia, these partners believe that the at-risk populations of flora and fauna will feel these benefits as well.

## ***Ceylon***

Just a year after Cabin Bluff came up for sale, another Georgia gem was about to hit the market. An approximately 16,000-acre property in the Satilla watershed, known as Ceylon, was one of the few remaining large undeveloped areas of land in this part of Georgia. The Conservation Fund (TCF) was well aware of its existence, its conservation value, and the serious threat it faced from residential development. It also was privy to the ongoing success stewarded by TNC with the neighboring Cabin Bluff. (TCF is a partner in [Conservation Finance](#) Network.)

The possibility of having two protected properties of this size in such close vicinity was exciting to all the conservation partners in Georgia. Ceylon is home to a number of at-risk species such as the wood stork, eastern indigo snake, striped newt, tri-color bat, and - perhaps the most recognizable name from a conservation perspective- the gopher tortoise.

TCF was already a participating partner of the Georgia Gopher Tortoise Conservation Initiative led by Georgia's Department of Natural Resources (GA DNR). As such, they were committed to

tortoise's activities and most importantly, its homes, help an astonishing 300 different species survive and thrive. Ceylon is home to an estimated 2000 of these intrepid reptiles, making it one of the highest density populations in the state.

The GA DNR, with strong interest in the property, turned to TCF to help solve the problem of timing. The state would not be able to act quickly enough to pool funding for such a purchase. TCF was asked to negotiate the acquisition and to “buy and hold” until GA DNR could accumulate the funds, a strategy with which TCF was familiar.

While the TCF revolving fund is often a source for projects looking to purchase promptly and repay when the rest of their funding firms up, TCF was not interested in financing a purchase of this size, solely from that fund. Having that amount of money locked into one deal was riskier and also potentially could prevent TCF from acting on other potential deals in the short term. Thankfully the State recognized this concern and was able to bring 20 million dollars in zero percent loans to the table.

With support from four different lending partners, the U.S. Endowment for Forestry and Communities and the Open Space Institute among them, and a 5 million dollar grant from Robert Woodruff Foundation for closing support, TCF was able to purchase Ceylon. Along with bringing no interest financing, OSI also offered to immediately turn around and purchased a 45% interest in the property from TCF. While the ultimate plan remained to eventually convey the entire property to the state, this allowed two partners to share the responsibility of ownership and management.

The state now had to buy out both OSI and TCF for the price of the property and compensation for the holding costs. Georgia's Outdoor Stewardship Program could bring \$8 million towards this eventual purchase. For the remaining funding, the State showed its skill in successfully using available federal grant programs. The North American Watershed Conservation Act grant program (NAWCA), Endangered Species Act (ESA) Habitat Conservation Planning (HCP Section 6) grant program, the Forest Service's Forest Legacy award were used in coming up with the money for this project.

The final piece of the purchase price puzzle came from the REPI program. The Navy shares an interest in keeping incompatible development at bay in Camden County by supporting projects that keep neighboring lands from entering into residential or commercial sprawl and address endangered species concerns that can impact the bases operations. TCF joined as a partner on the existing REPI agreement that covers NSB Kings Bay. This allowed TCF to work with the Navy on REPI and REPI Challenge proposals that were both successful bringing the final \$10 million



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Holding a property of this size comes with a lot of transaction costs. Expected taxes, maintenance, and due diligence fees all factor into the equation. TCF is able to cover these holding costs through the active management of the land.

A selective timber harvest of pine species that are in competition with the longleaf pays for the prescribed burns and reforestation activities needed to keep this forested ecosystem thriving. The land is also currently leased to the state as a wildlife management area with the revenue from this agreement going straight back into the property.

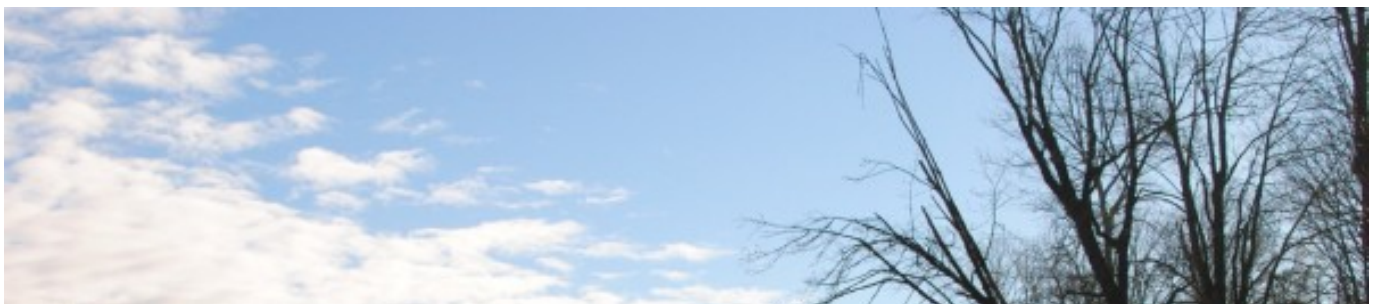
TCF managers hope to see the first closing on Ceylon with the GA DNR at the end of the year. They will prioritize repaying their loans with the highest interest rates and hope to avoid a potential conversion to a higher interest rate that is slated to go into effect in 2021.

The future of this natural landscape looks bright, thanks to the work of TCF and its robust network of partners. Hundreds of acres of longleaf pine will be safe from clear-cutting. A thriving gopher tortoise population will be unperturbed and hopefully prosper. The naval base that serves as a local economic engine will be able to continue on in its mission. And the State of Georgia will reclaim an ecologically diverse swath of land that it hopes to manage for the benefit of its citizens for years and years to come.

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