
WARREN BROOKES

Great green scam?

Sixth in a series of seven articles.

During the halcyon years of the Carter administration, The Nature Conservancy (TNC) used taxpayers to fund much of its expansion in what former TNC officer Dave Morine calls in his book "Good Dirt" a process of "leverage and rollover."

Mr. Morine, an unabashed advocate of locking up as much land as possible under government control, wrote: "The Conservancy's new strategy was to use private funds as a catalyst to stimulate public funding for conservation. Leverage and rollover. Leverage and rollover. That's all I ever heard from the trustees."

But when Interior Secretary James Watt arrived in 1981, he "not only refused to consider buying any more land, he welshed on all of the

prior commitments that had been made to the Conservancy. . . . We were left holding \$20 million worth of natural areas we had pre-acquired. . . . I had to find a new source of funding."

While Mr. Morine found some of it in state governments, most of it was generated through doing private real estate deals. As The Washington Post reported last February, TNC "does not limit its acquisitions to the real estate it intends to preserve. Instead it sometimes speculates in land purchases and invests the proceeds into property it has identified as vulnerable."

What's wrong with this? U.S. taxpayers are paying for it. A year ago, at the convention of the National Association of Home Builders in Atlanta, Frank Boren, former president of TNC, and Richard Friedman, director of TNC's Trade Lands Program, held a workshop for developers.

In it, Mr. Boren showed how environmentalism could be a very profitable gimmick for real estate development: "Appraisals [of properties] are done on the basis of highest and best use, and then on the basis of a conservation easement. The difference [between the two] then becomes a tax deduction."

Mr. Boren said this is why "we have a good relationship with corpo-

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rate America. Kimberly Clark [K/C] decided to go out of business in a Wisconsin town and gave us 32 land parcels that we can trade. Not only did we end up validating a \$32 million tax deduction for K/C but they [the community] have ... a nice recycling of the land. K/C was pleased enough that a couple of years later they gave us 10,000 acres of [marginal] forest land down in the Southeast. It just made sense to make a contribution, take the deduction and put that money to work. We are in the process of reselling that land now."

TNC became KC's broker/developer. In this way, Mr. Boren said, TNC "brings in about 100 pieces of

property a year from individuals and corporations and move them back out and get them working. We don't take any land in trade unless it has development potential." In addition to the obvious tax advantages, TNC offers developers "green insurance." "Usually what happens is the Sierra Club and the Audubon Society will come in and things stop dead in their tracks, and the [TNC] can come in and work things out. If you are going to buy a large tract of land and if it looks like it's fairly wild, you are out of your mind if you don't check with the [TNC biodiversity] data bank first" and with TNC's land folks, second.

As Mr. Boren told the developers, "Just a little light and cooperation can save everyone a lot of money in court costs and time." As an example of this, Mr. Boren described a deal

in Palm Springs, Calif., where developers had bought a large area of sand dunes only to have it sanctioned when the fringe-toed lizard was put on the endangered species list.

"We [TNC] were called in to look at this situation by some of the developers. Our scientists determined that if we could put together about 13,500 acres over next to the San Gregornio mountains ... that would probably enable us to tell the U.S. Fish and Wildlife Service that the lizard would not go extinct."

Mr. Boren then told how TNC facilitated a highly sophisticated \$25 million development package that included land offsets from three government agencies and then sold that package to the city councils of Palm Springs

and Palm Desert, with mitigation payments in part to maintain the TNC preserve. In short, TNC didn't stop development, it merely leveraged it for its own benefit.

Mr. Boren told them about another prospective TNC "green deal" to raise money: "TNC has a major preserve on the Elkhorn Slough in the Monterey [Calif.] area. ... one of the estuaries of the Salinas River that feeds Monterey Bay, a great birding site. Unfortunately, the farming in the area is heavily strawberries [where] they use pesticides and herbicides. ... and that's getting into the slough and starting to affect the chain of life."

Mr. Boren told of TNC plans to bring its own developer into this preserve and "put 10-20 townhouses about 350 feet above the sea level with good views of Monterey Bay,

and we'll take the strawberries out and reforest with native vegetation, put some trails down into the preserve and you will be in the middle of a massive bird [watching] site. We'll see if we can't drill those units out to affluent people in the Bay area that want a second home."

In short, they use TNC preserves to leverage upscale adjacent development because, Mr. Boren said, "The nature preserves are not going to make it unless we have compatible development side by side." But many former supporters say this moves TNC across the line from biodiversity protector to elitist "green developer." TNC's model for doing this is the granddaddy of conservation funding, Laurance Rockefeller and his "green government."

Tomorrow: The club of Rockefeller and Reilly.