

**F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM**

**DATE:** March 22, 2023

**REQUEST DATE:** February 24, 2023

**Last grant acknowledgment:** Yes

**Program Area:** Environment/Animals

**APPLICANT:**

Triangle Land Conservancy, Inc.  
514 South Duke Street  
Durham, NC 27701

**CONTACT:** Ms. Sandy Sweitzer, Executive Director

**PHONE:** 919-908-0051

**PAYEE OTHER THAN ADDRESSEE:**

**AMOUNT REQUESTED:** \$550,000 **NATURE OF REQUEST:** For general operating support - \$50,000; toward “A Force for Nature: Conserving the Triangle’s Land and Water for All” campaign - \$500,000 over three years

**GRANT HISTORY**

**SUPPORT:** 2000 - 2022    **# OF GRANTS:** 17

**TOTAL DOLLARS:** \$755,000

**LAST GRANT DATE:** 5/31/2022

**LAST GRANT AMOUNT:** \$50,000

**FYE DATE:** 6/30/2022

**AFS DATE:** 2/15/2023

2018	\$45,000	4/30/2018	
2019	\$50,000	3/29/2019	
2020	\$50,000	4/30/2020	
2021	\$50,000	4/30/2021	
2022	\$50,000	5/31/2022	General Operating Support

**AKH/LHV/AHF endorsements received.**

**DLK COMMENTS:** Financial analysis attached.

**LDC COMMENTS:** I conducted a site visit at TLC in April of 2022 (with LHV, AKH, and AHF) and, at the time, I was very impressed by Sandy Sweitzer and the work of the Conservancy in several different areas of conservation, particularly open space preservation, stewardship, and farmland preservation. I was also impressed by their programmatic and internal DEI efforts, which many of our conservation partners have struggled to solidify. The 2022 grant report leaves me no less impressed. I am in disbelief at all that this small (but mighty) conservation group was able to accomplish on an annual budget of ~\$2.7M.

The intense increase in development in the Triangle region of North Carolina has led to challenges for area conservation groups that their New Jersey counterparts have long grown accustomed to. Namely, there is increasingly less open space left to preserve, land is more expensive, and there are fewer incentives for landowners to donate acreage. To meet this need, TLC has increased its capacity, hiring 11 (!) new staff members to handle operations in 2022. They ended the year with over 1,000 acres of additional conserved land to their credit. TLC also secured \$7M from NC’s Land and Water fund in September of 2022, which will lead to an additional 1,000+ acres of

## **APPLICANT: Triangle Land Conservancy, Inc.**

preserved land in 2023 and leaves them about 1,000 acres shy of their “25K acres by 2025” goal. Much of the conserved land and the land slated for conservation borders adjacent conserved lands and includes mileage alongside the Cape Fear and Upper Neuse Rivers. In addition, some of the acreage preserved serves as an important habitat for the endangered [timber rattlesnake](#). With the addition of these new acquisitions, TLC now owns or stewards 16,800 acres (including easements) that include 55 miles worth of recreational public trails. In June, TLC was able to expand their [Williamson Preserve](#) by 42-acres due to the donation of the remainder of the original Williamson family farm.

In the realm of farmland preservation, TLC is one of the more active and creative land conservancies that we support. The Nexgen program at Williamson Preserve continues to lease to 5 farmers for small-batch regenerative agriculture practices and they now provide equipment-sharing for on-site use (this is a similar concept to Foodshed Alliance’s SAgE program). After completing a feasibility study for the Good Ground Initiative (GGI) in 2021, the GGI Committee started accepting applications from farmers for the first pilot property of the program (this is for land that was purchased by a third party specifically for this project). The concept is essentially the same as other “buy-serve-sell” farmland preservation programs, with a key difference: the conserved farmland is offered exclusively to BIPOC farmers for ownership with the “working lands” easement in place (parallel to an agricultural easement in NJ). The program seeks to address the rapid disappearance of food-producing farmland with an eye toward increasing minority land ownership. The next step will be to choose a qualified applicant and move forward with the transfer of the property with an easement in place. TLC has partnered with a local credit union that will assist the chosen applicant with a loan to purchase the property.

As I mentioned, I am continually impressed by TLC’s internal DEI processes and DEI-focused programming. I find that TLC’s efforts feel like a sincere and proactive desire to serve and include all community members and acknowledge the ways that conservation and access to land ownership have historically excluded women and people of color. Internally, TLC is one of the few conservation groups we support that has an inclusive and ethnically diverse staff and Board. There is not just one “token” diverse Board participant or staff member leading an urban program; Sandy Sweitzer has worked to ensure that the organization is an attractive and welcoming place of work for highly skilled individuals from diverse backgrounds. Programmatically, we see the same focus on incorporating DEI into the core of TLC’s work (rather than just one “token” DEI program). Of course, the GG initiative is an effective and innovative way to address historical inequities in access to agriculture and farmland that are emphasized in the South due to the history of slavery. Additionally, 2022 marked the first year of TLC’s Teen Fellowship Program, an effort to introduce BIPOC teens to employment options in the field of conservation. In the spring, five students from Knightdale High School worked alongside TLC staff to gain hands-on experience in conservation, explore topics in environment and conservation, and build relationships with the TLC staff. The program was so successful that three of the fellows have chosen to return this year to mentor the new cohort of 10 fellows.

In addition to the annual GOS support that we provide to TLC, Sandy reached out in early 2023 to request funding allocated towards the quiet phase of their impending comprehensive campaign. This request was expected (Sandy asked AKH and LHV to participate in a feasibility study during our site visit) and comes more than ten years after their last capital campaign. After discussion with AKH, LHV, AHF, and JJK we have confirmed that campaign support is strongly endorsed by the Board and enthusiastically supported by the Foundation team. In 2007-2010 we provided a \$250K contribution to TLC’s capital campaign. Since this time, TLC has expanded under Sandy Sweitzer’s leadership (staff and programming) and we, in turn, have increased our annual grant

**APPLICANT: Triangle Land Conservancy, Inc.**

amount. In addition, our Environment & Animals docket support has increased, and our support of North Carolina conservation has grown. I believe that a contribution to this campaign is in line with our growing interest in conservation, the imminent need to conserve land in the Durham Triangle area, and the proven ability of TLC to utilize its campaign success to catalyze future organizational growth and stability. The North Carolina branch of the Kirby family has directly witnessed its effectiveness over the years, as well as the imminent need for increased conservation efforts in the area.

The campaign itself is ambitious: Sandy is hoping to raise a total of \$25M in four categories: (1) Protecting Land and Water (\$14M), (2) Stewarding the Land We Own (\$3M), (3) Capital Improvements (\$2M), and (4) Increasing Organizational Capacity (\$6M). TLC has secured 100% board participation and anticipates \$3M in Board contributions by the end of 2023. The ask is high (\$500K in total), but I informed Sandy that it is more realistic to expect a lower amount. The NC Family members are supportive of general support towards the campaign along with the annual GOS (which will count towards the campaign), with a slight increase in GOS incorporated into the third year. The breakdown of the recommended three-year commitment is as follows:

	GOS	Campaign	Total
<b>2023</b>	\$ 50,000	\$ 75,000	\$ 125,000
<b>2024</b>	\$ 50,000	\$ 75,000	\$ 125,000
<b>2025</b>	\$ 55,000	\$ 100,000	\$ 155,000
	<b>\$ 155,000</b>	<b>\$ 250,000</b>	<b>\$ 405,000</b>

**JJK COMMENTS:** Given the density of New Jersey, where the conservation of a few hundred acres can feel like a major win, it is rather shocking (and delightful) to see the numbers of a majorly productive year for TLC: in 2022, TLC conserved a total of 1,290 acres, including 285 on Natural Heritage Sites. This impressive growth is matched within the organization, as LDC notes, in terms of staff growth.

The timing of this campaign and the ramped-up efforts to conserve land cannot be more imperative, given the influx of corporations coming to the Triangle. While the economic development there has the capacity to bring jobs and economic growth, TLC is intent on preserving the natural character of the Triangle and ensuring that, with the farmland work and the Good Ground Initiative, the agricultural sector is not completely wiped away by warehouse sprawl and new suburban subdivisions (though that is another issue!).

Having followed the excellent collaboration and communication between LDC and Board Directors, I am pleased to add my recommendation for a pledge of \$405,000, as delineated above and designated below. While we are adding general operating support to this pledge, we shall require that TLC provides annual updates regarding both the organization and the campaign prior to the release of additional funds.

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<b>FM KIRBY FOUNDATION</b>			
<b>Financial Statement Analysis</b>			
<b>Grantee Name:</b>	Triangle Land Conservancy	<b>Date:</b>	3/10/2023
<b>Prepared By:</b>	DLK		
<b>Grant Request Amt.</b>	\$ 500,000	<b>Type of Financial Report Submitted</b>	Audit
<b>Budgeted Amt.</b>	\$ 125,000 (\$50 GOS/\$75 Capital)	<b>Period Covered in Financial Report</b>	6/30/2022
<b>Audit Firm</b>	Dean Dorton Allen Ford PLLC	<b>Date of Report Issuance</b>	02/15/23
<b>Opinion</b>	Present fairly		
<b>Basis of Acctg.</b>	GAAP		
<b>Current Ratio (Liquidity Ratio/Working Capital Ratio)</b>	16.97	<b>Amount of Unrestricted Net Assets (Operating Reserve)</b>	\$ 31,516,222
<p><b>Note:</b> A current ratio measures an organization's ability to pay short-term and long-term obligations. The higher the ratio, the more capable the organization is of paying its obligations. A ratio under 1 indicates that the organization's liabilities are greater than its assets.</p>			
<b>Allocation of Functional Expenses</b>	6/30/2022	%	Must Read Financial Statement Notes
<b>A. Program Service Expenses</b>	\$ 1,815,386	66%	Ideally program expenses should be
<b>B. Management and General</b>	\$ 560,184	20%	at least 70% of total budget.
<b>C. Fundraising</b>	\$ 385,401	14%	
<b>D. Total Expenses</b>	\$ 2,760,971	100%	
<b>Comments/ Notes:</b>			
<p><u>FY23 Budget:</u> The FY23 budget projects to break even with \$237K of carryforward monies being released for satisfaction of time/purpose restrictions. Total revenues are budgeted to increase by \$143K (5%), with contributions and investment revenue/internal transfers up \$310K (26%) and \$389K (124\$), respectively. Foundation and corporate support is forecasted to decrease by \$484K (47%). Total expenses are budgeted to grow by \$462K (17%), with personnel/benefits up \$591K (38%) and fixed assets down \$104K (34%). The FMKF budgeted grant of \$125K would equate to 23% of TLC's budgeted foundation/corporate support. If we support a multi-year campaign, I'd recommend backloading it. If we include \$50K GOS, I suggest \$125K/\$130K/\$155K - \$410K total.</p>			
<p><u>FY22 Audit:</u> TLC had an operating surplus of \$7.5M for FY22 vs a surplus of \$15.8M for FY21. Revenues were down \$1.1M (6%), with contributions (individuals, foundations, corporate, bequests) up \$1.9M (67%) and government-funded support up \$941K (15%) but realized/unrealized gains on investments were down \$2.4M (181%). Program expenses were up \$434K (31%), with all three program lines (land protection, stewardship and community engagement) showing increases. Support services grew \$182K (24%) over FY21. As of June 30, 2022, the Conservancy had investments of \$7.3M (including the beneficial interest referenced below). \$3.3M of those investments were endowment-related. The Conservancy had no advances on its \$1.0M revolving line of credit in FY22 or FY21. The Conservancy has a beneficial interest in 4 other funds held by others that totaled \$2.4M as of June 30, 2022. No red flags arose as a result of my review.</p>			

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**DISPOSITION:**

- Declination
- Hold for review on/about:
- Approval for: **\$405,000**
- Hold for Board Review
- Insert Information: **Toward support of “A Force of Nature: Conserving the Triangle’s Land and Water for All” campaign-\$75,000 enclosed herewith, and we hereby pledge like amount for like use in 2024, and for like use-\$100,000 in 2025.**

**Also enclosed is \$50,000 toward general operating support for 2023, and we hereby pledge like amount for like use in 2024, and for like use-\$55,000 in 2025.**

- Other: **JJK’s 5/1/23 custom letter requesting annual updates to accompany grant check.**

Initials: JJK Date: 3/27/23  
Check #: \_\_\_\_\_ Date: \_\_\_\_\_