

NATIONAL ESTUARY PROGRAM



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THE NEP IS EFFICIENT

The EPA National Estuary Program (NEP) is the nation's premier watershed program. Its achievements are linked directly to the highly successful approach to watershed management implemented by the 28 local NEPs across the country. In their efforts to improve environmental conditions in their States, the NEPs have demonstrated an impressive ability to secure and leverage funds by establishing key partnerships among Federal, State, and local agencies; nonprofit organizations; industry; academia; environmental and business groups; and the public. These partners and other funding sources provide their financial support due to the results produced by NEPs with those monies. Funding is used to purchase lands, restore habitat, and protect open space, as well as many other actions to improve the health of the estuary.

The NEPs leverage funding to increase their budgets—by \$16.50 for every \$1 provided by EPA. Getting smart about funding means developing strategic, targeted programs to pursue funding that supports priorities, fostering alliances with public and private partners, demonstrating results to donors, crediting sponsors for their contributions, and encouraging staff development of new and creative ini-

tiatives. Here's a look at some of the ways NEPs have engaged stakeholders and the community to increase their budgets—and their impact on the environmental challenges facing U.S. coastal watersheds.

ANNUAL APPEAL CRITICAL TO SUSTAINABLE FUNDING

The Partnership for the Delaware Estuary knew how essential it was to have a broad base of funding support, and like many nonprofits, struggled to identify its funding vehicle. With the NEP management approach as the guideline, they turned lessons learned from early-on funding disappointments into a finely-tuned strategy to secure and sustain funding.

When the Partnership began its annual appeal program in 1996, it faced a number of challenges. Not only was the organization new; the resource it protects—the Delaware Estuary—was nearly unknown in the three States it occupies. To build support for the Partnership, the director and staff established relationships with Delaware Estuary stakeholders and engaged them in program activities, speculating that those who were involved with its activities would be far more likely to offer financial support.

In 1999, the Partnership instituted its first appeal campaign funded by a foundation grant for capacity building. It used a mail house and sent a generic appeal letter to the 25,000 people on the organization's mailing list, all of whom were recipients of the Partnership's quarterly news-

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letter. The results were disappointing and the Partnership huddled to restructure the appeal.

A year later, the Partnership tested a smaller, more personal approach. It sent personalized appeal letters along with an annual activity report and an appeal return envelope to past donors and to a select group from the mailing list (less than 1,000 people). The results improved, but the Partnership believed they could do better.

In 2001, the Partnership further targeted its annual appeal with the help of a fundraising consultant. For its 2001 appeal, the Partnership segmented the mailing list into four different target groups: past givers, lapsed and never givers, board member contacts (with the letters signed by the board member), and board members. Each group received a different letter and program materials. The Partnership also gave a set of estuary-themed note cards (purchased wholesale from a publisher) to donors contributing over \$75. This model returned the best results and the partnership received 57 donations totaling nearly \$10,000.

Since 2001, the Partnership has continued to segment the annual appeal mailing. Each year, prior donors are asked to consider increasing their gift. A second mailing each spring targets past givers who did not respond to the fall appeal. In all cases, donors over \$75 receive a specially designed set of note cards.

Their annual appeal strategy—along with increased awareness of the Delaware Estuary and the Partnership—has generated a steady increase on the return from the annual appeal campaign. In 2005, the Partnership received a total of \$29,779 in donations from 183 people, for an average gift of \$163.

Their lessons learned are applicable to many other community-based programs:

- While an annual appeal is not a quick fix for raising unrestricted revenue, it can be a very successful resource that pays off over time.
- Annual appeals should be viewed as an investment in the organization's funding health: it may take several years to see a positive return, and all the while, there are related expenses, such as staff time, printing, postage and giveaways.
- The success of annual appeals depends on building a relationship with donors; the more specific and personal the appeal, the better.
- Timing is important—appeals should be on a consistent schedule, and the end of the calendar year is for many a key time as it is when givers feel beneficent and seek tax deductions.
- Recognition matters: the Partnership lists all donors to its annual appeal in an activity report.



SUPPLEMENTAL ENVIRONMENTAL PROJECT FUNDING TAPPED

The Coastal Bend Bays & Estuaries Program (CBBEP) in Corpus Christi, Texas, received \$1.5 million for Supplemental Environmental Projects (SEP) as part of a settlement between Koch Pipeline Company, the State of Texas and the U.S. Department of Justice. Koch Pipeline agreed to this settlement after the company had more than 300 spills of crude oil, gasoline, and other oil products between 1990 and 1997 in Texas, Oklahoma, Kansas,

Missouri, Louisiana, and Alabama. In the settlement, Koch Pipeline agreed to pay a \$30 million civil penalty, make a voluntary contribution of \$5 million for supplemental environmental projects, and improve its leak-prevention programs.

The Coastal Bend Bays & Estuaries Program's selection was likely a result of the fact that the largest of Koch's spills, a 100,000-gallon oil spill in 1994, caused a twelve-mile slick within the area served by the CBBEP on Nueces and Corpus Christi Bays. Two additional factors may have contributed to the selection of the estuary program as a recipient for these funds. First, the CBBEP has a long history of public involvement, including strong relationships with both industry and State government; the program was well known by both Koch and the Texas Commission on Environmental Quality. Second, all parties to the settlement recognized that the CBBEP could implement habitat restoration projects with very low overhead costs.

The CBBEP used the SEP funds to secure an additional \$2.5 million in matching funds, and completed three land acquisition and habitat protection projects:

- They worked with The Nature Conservancy of Texas, the Texas Commission on Environmental Quality, the City of Corpus Christi, and the US Fish and Wildlife Service to conserve land with high ecological value or development pressure through either acquisition or conservation easements.
- The estuary program partnered with the Texas General Land Office to protect six existing rookery islands and restore approximately six acres of colonial Waterbird rookery island habitat in Nueces Bay.
- In conjunction with the Texas General Land Office and the USDA Natural Resources Conservation Service, the CBBEP planted smooth cord grass along eroding shorelines to reduce erosion and create marsh habitat.

The CBBEP experience underscores the importance of the NEP management approach, and highlights the importance of public outreach and stakeholder involvement.

- In order to direct the funding to CBBEP, the State of Texas, the U.S. Department of Justice, and



Koch Pipeline had to conclude it was a suitable recipient. While the program's connection to a 1994 oil spill undoubtedly influenced the decision, its track record of communication with the business community and a history of success in project implementation were also deciding factors.

- A streamlined planning process made it possible for CBBEP to deliver a spending plan for \$1.5 million in project funding within one month in order to meet a deadline set by the Texas Commission on Environmental Quality.
- With project implementation required within 18 months of funding, the pressure was on and CBBEP was able to tap the capabilities of its partners in order to meet the deadline.

OUTREACH BUILDS COMMUNITY SUPPORT FOR A REAL ESTATE TRANSFER TAX

Since 1993, the Peconic Estuary Program has conducted extensive public involvement and outreach in its watershed. The outcome of this work has been strong partnerships with organizations and individuals in their community. Community-based support on Long Island's East End was crucial to establishing a two percent (2%) real eState transfer tax that would support land conservation and related purposes, including historic preservation for the watershed. Fortunately, the Peconic Bay Estuary had a long history of public involvement and partnership building—essential to the success of a new transfer tax allocation. Real eState transfer taxes are assessments made by States or local governments on real eState transfers based on the sale price of the property and paid by the buyer of the property.

Implementing the real eState transfer tax required three major steps:

- The New York Legislature had to pass enabling legislation, but developer and builder lobbies at the State and national levels effectively delayed passage of the enabling legislation for more than a decade.
- A Community Preservation Plan was required from each participating town, identifying priority parcels for acquisition and easements.



- Each town needed to pass a local referendum to approximate the tax—development lobbyists spent nearly \$300,000 to fight passage.

In 1998, the New York Legislature finally voted to allow Long Island's five east end towns to hold referenda on establishing a real eState transfer tax. And despite lobbyist efforts, all of the towns gained voter approval, passing with at least a 60% majority.

The success was secured by strategic public outreach, with messages supported by research provided by the Peconic Estuary Program (PEP). A large community-based coalition including the Committee for the East End Community Preservation Fund, Peconic Estuary Program, Suffolk County, five towns, local businesses, realtors, and builders, citizens and others presented a compelling case to voters that preserving open space would protect estuarine resources, groundwater quality, and the character of Long Island's East End. Studies by the PEP included an economic valuation of the estuary and its impact on the local economy, detailed information on current land use, and projections of development and population trends.

The 2% Real EState Transfer Tax raised more than \$169 million through January 2004 and is the most successful land protection program on Long Island. Using an average of 2% tax revenues and multiplying it through the life of the fund (end of 2020), total additional revenue should be approximately \$556 million.

INTERLOCAL AGREEMENT BUILDS PARTNERSHIPS AND RAISES FUNDS

While many critical landscapes have been protected with funds from the 2% real estate transfer tax and other sources, current land acquisition funding is not sufficient to keep up with development rates. It is estimated that less than 10% of the parcels identified as critical in the Peconic watershed could be protected with future 2% tax revenues. Fortunately, large amounts of land can be protected through means other than land acquisition, for example: clearing restrictions, clustering requirements, rezoning, overlay districts, easements, purchase of development rights, and overall better land use practices. It is estimated that the implementation of clearing restrictions and clustering requirements would protect an additional 3,491 acres in the Peconic watershed; acquiring an equivalent amount of land would cost an estimated \$382 million.



A formal Interlocal Agreement in Tampa Bay, Florida, has helped ensure continuing funding to the region's estuary program since 2000, and generates at least \$415,000 in cash each year as a match toward EPA funding.

Established in 1990, the Tampa Bay Estuary Program (TBEP) has worked diligently to involve local governments and Tampa Bay area citizens in its activities and in 1998 adopted a formal Interlocal Agreement that committed 15 partners to achieving the goals of the program's bay restoration plan. Partners included city, county, and State governments, a water management district, a regional planning council, a port authority, the U.S. Environmental Protection Agency (EPA), and the U.S. Army Corps of Engineers.

Goals of the bay restoration plan focus on restoring and sustaining a healthier bay that will support recreational and commercial uses. Goals are related to improving water and sediment quality, restoring seagrass beds and coastal habitats, and reducing bacterial contamination. Partners also committed to improving fish and wildlife regulation and enforcement, managing dredging and dredged material, and increasing public education and involvement.

TBEP's success in reaching consensus on the Interlocal Agreement can help inform similar efforts by other community-based programs:

- Having a champion kept the process moving. The water management district's representative on the TBEP Policy Board, an experienced contract attorney, conceived the idea of the agreement, drafted it and worked to build consensus among stakeholders and overcome obstacles in the process.
- Long-term stakeholder relationships supported consensus. Bay-area partners have been working together on bay management and protection for 25 years, ever since the first Bay Area Scientific Information Symposium (BASIS) in 1982. Several milestones followed BASIS that built a tradition of regional cooperation among bay area

scientists and resource managers and enabled consensus on the Interlocal Agreement.

- Incentives encouraged participation. For example, participation in the Estuary Program may have been spurred, in part, by a desire to ensure that the program followed a non-regulatory approach to resource management. Regulators agreed to extend reasonable flexibility in permitting projects of TBEP partners that helped achieve goals of the bay restoration plan.

Further, a track record of affordable implementation demonstrated that the agreement would be a good investment for the partners. It was estimated that the added cost each year to TBEP's partners for implementing the restoration plan was insignificant compared to their overall budgets.

For more information: <http://www.tbep.org>

CAPITAL CAMPAIGN FUNDS ENVIRONMENTAL EDUCATION CENTER

When the Center for Inland Bays (CIB) in Delaware needed an office and a space for environmental education events, everything seemed to be pointed in their favor. An early-on a capital campaign and securing grant funding from local corporations, government agencies, and foundations generated about \$175,000. A building was donated by the State, an architect was hired, and a development specialist was retained. When a fundraising luncheon failed to generate financial support, the CIB team stepped back, studied hard and changed course.

Their experience offers practical guidance to other community-based programs that may be readying a capital campaign:

- Conduct a pre-campaign assessment. CIB examined how it was perceived in its community. It researched the potential for major support and sought to identify a realistic fundraising goal. It also looked inside the organization: Was leadership and staff ready to do what would be necessary for success?
- Write a case Statement. CIB developed its position by gaining an understanding of the benefits and importance of the project from the donors' point of view. It identified why people should fund the project, and what information they needed to make a decision to donate.
- Create a campaign management plan. CIB detailed the tasks, outputs, and milestones of the campaign, and structured a timeline for achieving the campaign goal.
- Prospect potential donors. By identifying potential donors—and their potential donations—CIB had defined the opportunity and the target market, including past and present donors, volunteers, foundations, corporations, and agencies.

CIB took additional steps to facilitate their progress. They reduced the cost of the building from \$1.24 million to \$850,000 through "value engineering" options, hired a new consultant to develop the campaign, organized a capital campaign committee, recruited former governor Russ Peterson as their honorary campaign chair, and announced their campaign goal of one million dollars in the media. The new capital campaign committee targeted key individual donors and, because the facility was State-owned, also requested



\$600,000 before the legislative bond bill committee.

The results of the new campaign were impressive:

- Private donations doubled the existing money to \$350,000.
- The general assembly approved a \$750,000 bond in 2006, \$150,000 more than CIB had requested! In fact, CIB was the only nonprofit in the State to obtain bond bill funding that year.

The funding made it possible to extend their license for the property from 10 years to "30 years or practical life." Construction was completed and a donor reception was the perfect ending to a successful campaign.

For more information: <http://www.inlandbays.org/>

LICENSE PLATE REVENUE GENERATES MILLIONS FOR ENVIRONMENTAL EDUCATION AND HABITAT RESTORATION

A specialty vehicle license plate revenue program in Florida delivered more than \$4 million dollars to the Indian River Lagoon National Estuary Program during its first seven years, and now generates about \$400,000 per year, providing a sustainable source of continuing funding.

Indian River Lagoon National Estuary Program (IRL NEP), sponsored by the St. Johns River Water Management District, led the development and management of the program, supported by 12,000 vehicle owners and dedicated stakeholders. Their success is a lesson in strategic collaboration that can be transferred and adapted to community-based programs elsewhere:

- Petitions identify a support base. IRL NEP collected petitions (with the help of

McDonalds franchises located throughout the watershed) containing the signatures of 12,000 registered Florida vehicle owners who agreed they would purchase the specialty plate when available.

- Elected officials get on the team. Endorsements from constituents helped position the program with regional elected officials who agreed to sponsor a bill to create the specialty plate in both the House and Senate in an upcoming legislative session.
- It takes money to make money. With so much positive support, IRL NEP felt confident in paying a \$15,000 one-time administration fee to the Florida Department of Motor Vehicles (DMV) and in investing the time to develop the short- and long-term marketing strategies that were required by the DMV.

But all of that start-up work was only the beginning of the outreach effort, as the IRL NEP would also be responsible for promotion of the license plate program and for management of the grant program that would be supported by the revenues. The team was able to secure several corporate partners who would be essential to the effort. The Anheuser Busch Corporation donated \$15,000 to help pay for the production and labor costs of more than 70 billboard advertisements, and the Florida Outdoor Advertising Association donated \$60,000 worth of billboard advertising space. For three months, a local car dealership helped seed the program by providing all new car buyers with Indian River Lagoon license plates.

For each lagoon license plate sold or renewed, IRL NEP receives 15 dollars and of that, at least 80 percent of the proceeds are used to support stormwater retrofit and/or habitat restoration projects, with up to 20 percent allocated to environmental education projects focusing on the lagoon. License plate revenues do not support salaries, studies, or other administrative costs.

Habitat restoration projects supported by the license plate program have included the reconnection of impounded salt marshes, shoreline stabilization, spoil island and mangrove restoration, and stormwater treatment retrofits. Environmental education projects have included exhibits, videos, and support for lagoon learning centers.

Competition from more than 100 other specialty license plate designs offered for sale in Florida has been fierce, but the strength of the IRL NEP license plate design, combined with a strategic marketing campaign, has the lagoon plate ranked at number 17 on the list of specialty plates available. The design features a snook—a local fish—which appeals to a niche market of anglers from throughout the State. Plus, current marketing strategies include direct mail promotions to plate owners, with targeted advertising in regional and Statewide angler magazines.

For more information: <http://irl.sjrwmd.com>

INVESTMENT IN NEP PAYS OFF

The US EPA National Estuary Program (NEP), a unique and voluntary community-based program established in 1987 under the Clean Water Act (CWA) Amendments, works to restore and maintain the water quality and ecological integrity of estuaries of national significance.

The NEPs have leveraged more than \$3 billion between 2003 and 2006 through efforts to engage stakeholders and their communities. The results offer a compelling indicator that the NEP approach—combining partnership building, outreach and strong collaboration with sound science—is effective in increasing budgets and the program's impact on the environmental challenges facing U.S. coastal watersheds.

There are 28 NEPs located in 18 U.S. coastal States and Puerto Rico which are designated estuaries of national significance for their distinct economic, ecological, recreational, and aesthetic values.

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The NEP: Applying the Clean Water Act in ways that are Effective, Efficient, Adaptable, and Collaborative.