

LYME ADIRONDACKS

New York

As part of \$23 million deal combining conservation and sustainable wood harvesting, the New Hampshire-based Lyme Timber Company purchased nearly all of International Paper's (IP) remaining forestlands in New York state. The 276,010 acres of forestland purchased by Lyme accounts for approximately 10% of the private forestland in the Adirondack Park area, making Lyme the largest private landowner in New York.

The purchased lands provide substantial support for the existing forest products industry in the region. These lands supply 23% of the wood fiber supply for IP's Ticonderoga, New York mill, which currently employs about 700 people and the deal includes a 20-year supply agreement between IP and Lyme. Employment in that mill, plus the regional sawmills that are also supplied from these lands, constitutes a large number of jobs, and is an important part of the regional economy.

An exciting addition to this project is Lyme's implementation of Cut to Length (CTL) and other lower-impact harvesting techniques, including an active program of education, training, and financial incentives. This is a major new forestry initiative in New York where the logging industry has been slower to adopt these lower-impact techniques than has been the case in Maine.

Over the course of Lyme's first two years of operation of the woodlands, 211,383 acres were sold as conservation easements to the State of New York, the continuation of a Nature Conservancy-facilitated agreement between International Paper and the State. These community-approved conservation easements ensure a blend of appropriate use and development of the land .

To fund this deal, which closed in two phases on September 29 and November 16 of 2006, CEI Capital Management (CCML) partnered with GE Commercial Finance, who served as the equity investor.

Key Benefits

- Sale of conservation easements provides major public recreational rights
- Fees provide capital to support expansion of CEI's Northern Heritage Development Fund
- Lands support local sawmills
- Program encourages use of CTL and other labor intensive harvesting techniques, resulting in higher wages and greater stewardship of the woodlands.
- Woodlands certified under Sustainable Forestry Initiative (SFI) and Forest Stewardship Council (FSC)

Qualifying Features

- CDFI Fund Hot Zone
- Unemployment Rate over 1.5x National Average

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