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### **Appalachian Mountain Club Secures Long-Term Financing for Maine Woods Initiative through Innovative Partnership**

The Appalachian Mountain Club (AMC) has finalized an agreement with Citizens Bank and Coastal Enterprises Inc. (CEI) for \$17 million financing in support of the club's Maine Woods Initiative. The financing is based on the federal New Markets Tax Credits (NMTC) program, enabling Citizens Bank to offer discounted terms to AMC.

The agreement replaces short-term, variable interest loans with a 7-year, fixed low-interest loan, reducing AMC's costs by approximately \$5 million over the term. This long-term financing also provides an additional \$3 million in capital to support AMC's investment in land conservation, recreational infrastructure, educational programming, and sustainable timber harvesting to benefit the communities of Piscataquis County and the broader regional economy. AMC will continue to seek public and private funds to permanently support the project and repay this loan.

AMC's Maine Woods Initiative is designed to attract new, "green" tourism and jobs to the region, as well as to continue supporting the local economy through sustainable forestry and traditional use.

AMC acquired the 37,000-acre Katahdin Iron Works tract from International Paper in December 2003, and operates Little Lyford Pond Camps, a traditional Maine sporting camp open to members and the general public, on its Maine Woods property. The AMC is in the process of completing a forest management and recreation plan for the project area, which lies at the heart of the 100-Mile Wilderness region and along the Appalachian Trail corridor. Approximately 10,000 acres will be managed as an ecological reserve, while the remainder of the property will be managed for multiple uses, including recreation and sustainable forestry.

The New Markets Tax Credits program is administered by the United States Treasury Department's Community Development Financial Institutions Fund (the CDFI Fund) and offers tax credits to investors for qualifying projects in low-income areas. The initiative enables banks to receive investment tax credits to offer more attractive terms to projects such as AMC's. CEI is authorized by the CDFI Fund to use its tax credit investment allocation capacity to facilitate the flow of private investment capital to projects and

businesses in eligible low-income areas, throughout the United States. CEI is the first New Markets Tax Credit intermediary in the nation to use its tax credit investment capacity for projects that encompass sustainable forestry and conservation programs, particularly involving large tracts of working forests and timberlands used for recreational purposes. This initiative helps protect existing jobs and promotes the development of new jobs in the value-added woods processing and recreational tourism industries.

AMC is working with local communities in planning for the project. The AMC has already hired a Maine-based logging crew to conduct an initial harvest on its land, supplying mills in the state. AMC has also doubled the number of overnight guests at Little Lyford Pond Camps since assuming ownership, in turn supporting gateway communities such as Greenville and Brownville. The club has started to build additional hiking and skiing trails on its property, and is working on a long-range plan for a variety of backcountry lodging and recreation options suitable for the area.

“We believe the Maine Woods Initiative is unique in its combination of conservation, recreational investment, community development and sustainable forestry,” said Walter Graff, deputy director of the AMC. “We are excited to work with partners such as CEI and Citizens on a means of financing that is just as innovative. The additional capital allows us to move forward on implementing our vision for the project, which we hope will contribute significantly to the economy of Piscataquis County.”

“AMC’s Maine Woods Initiative is a groundbreaking effort and at Citizens, we were pleased to develop innovative financing terms to support this project,” said Lawrence K. Fish, Chairman, President and CEO of Citizens Financial Group. “New England is fortunate to have, in the AMC, a superb organization that can attract the support of the public, private and nonprofit sectors.”

Ron Phillips, President of CEI, said, “It is an exceptional opportunity to use the New Markets Tax Credit program to support traditional manufacturing industries, Governor Baldacci’s policy of encouraging recreational tourism in interior Maine, and community use of the forest, at the same time altering the economics of owning working timberlands to facilitate sustainable forestry practices. This fits the definition of CEI’s ‘triple bottom-line’ approach to investing: economic progress, social equity, and environmental protection.”

Maine Governor John E. Baldacci also supports the AMC’s efforts in Maine. “The Appalachian Mountain Club’s Maine Woods Initiative is an important project for the 100-Mile Wilderness region,” said Gov. Baldacci. “AMC’s belief that conservation and economic development go hand-in-hand fits with my administration’s Maine Woods Legacy Initiative. I congratulate AMC and wish them continued success with this project.”

Founded in 1876, the Appalachian Mountain Club is the oldest conservation and recreation organization in the United States. With 3,600 members in Maine and more

than 90,000 members in the Northeast and beyond, the nonprofit AMC promotes the protection, enjoyment, and wise use of the mountains, rivers, and trails of the Appalachian region.

For more information on AMC's Maine Woods Initiative, see: [www.outdoors.org/mwi](http://www.outdoors.org/mwi).