

Fresh Coast Capital



Fresh Coast Forest Fund

Brownfields



"Abandoned, idled or underused properties whose redevelopment is encumbered by real or perceived contamination."¹



A \$650B problem

...450,000+ brownfields nationwide

5,000,000+ acres of
abandoned industrial sites...

...which would cover 60 of our largest cities

Brown-to-Green Impact

Property Values

5-15% increase for properties up to $\frac{3}{4}$ mile from the site¹

Tax Revenue

\$11B annual local tax revenues across 500 cities²

Smart Growth

1 acre brownfield redevelopment = 4.5 acres of countryside saved³

Environmental Justice

Brownfields are disproportionately located in low-income communities

¹ De Sousa, C. and C. Wu. "Assessing the Impact of Publicly Supported Brownfields Redevelopment on Surrounding Property Values."

² De Sousa, C. 2006. "Unearthing the benefits of brownfield to green space projects: An examination of project use and quality of life impacts." *Local Environment* 11(5): 577-600.

³ George Washington University, see <http://www.gwu.edu/~eem/Brownfields/>

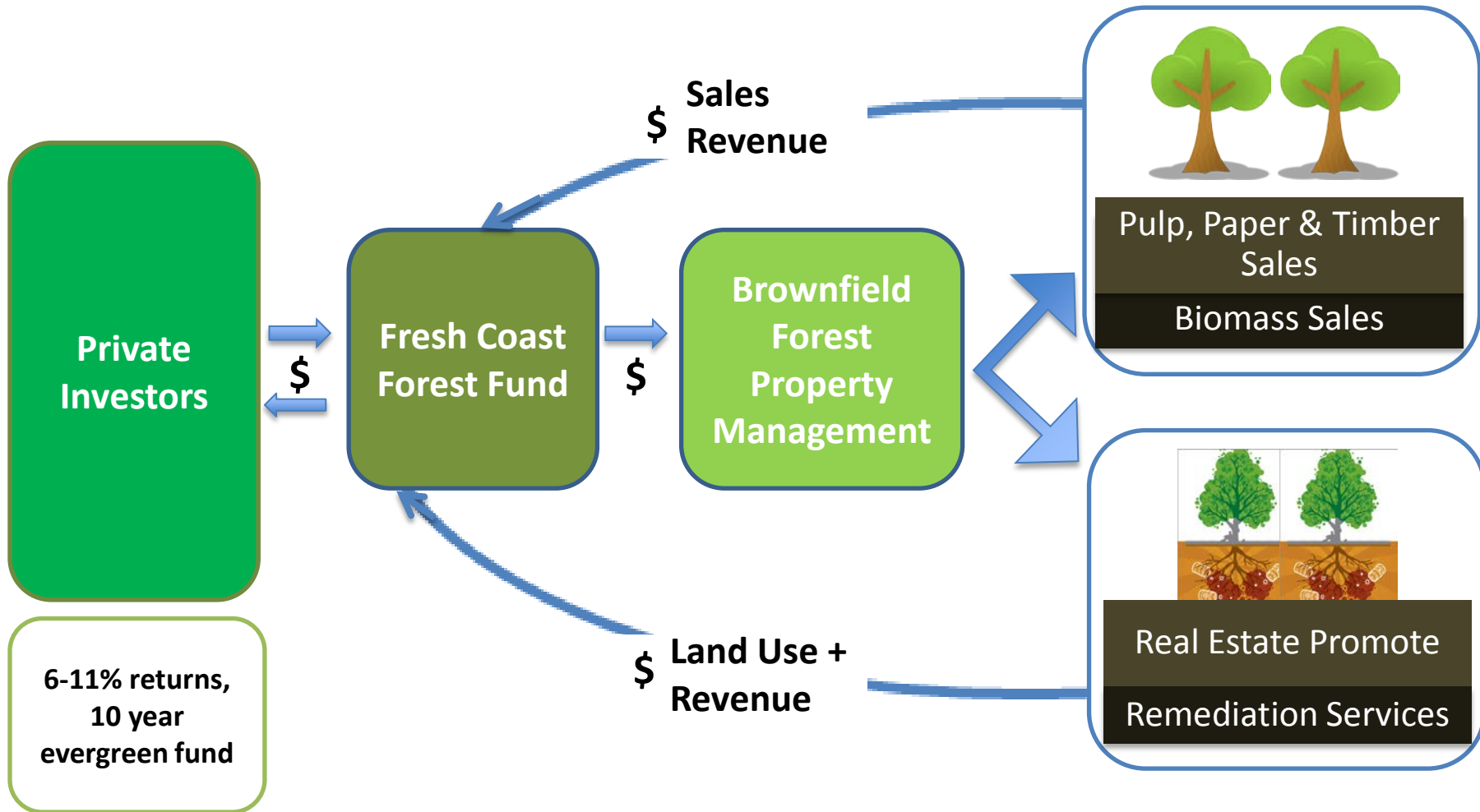
Photo Credit: Greatecology.com

The hybrid poplar solution

Fast growing trees that offer...

- Profitable timber products within 4 years
- A natural form of land detoxification
- Land value appreciation

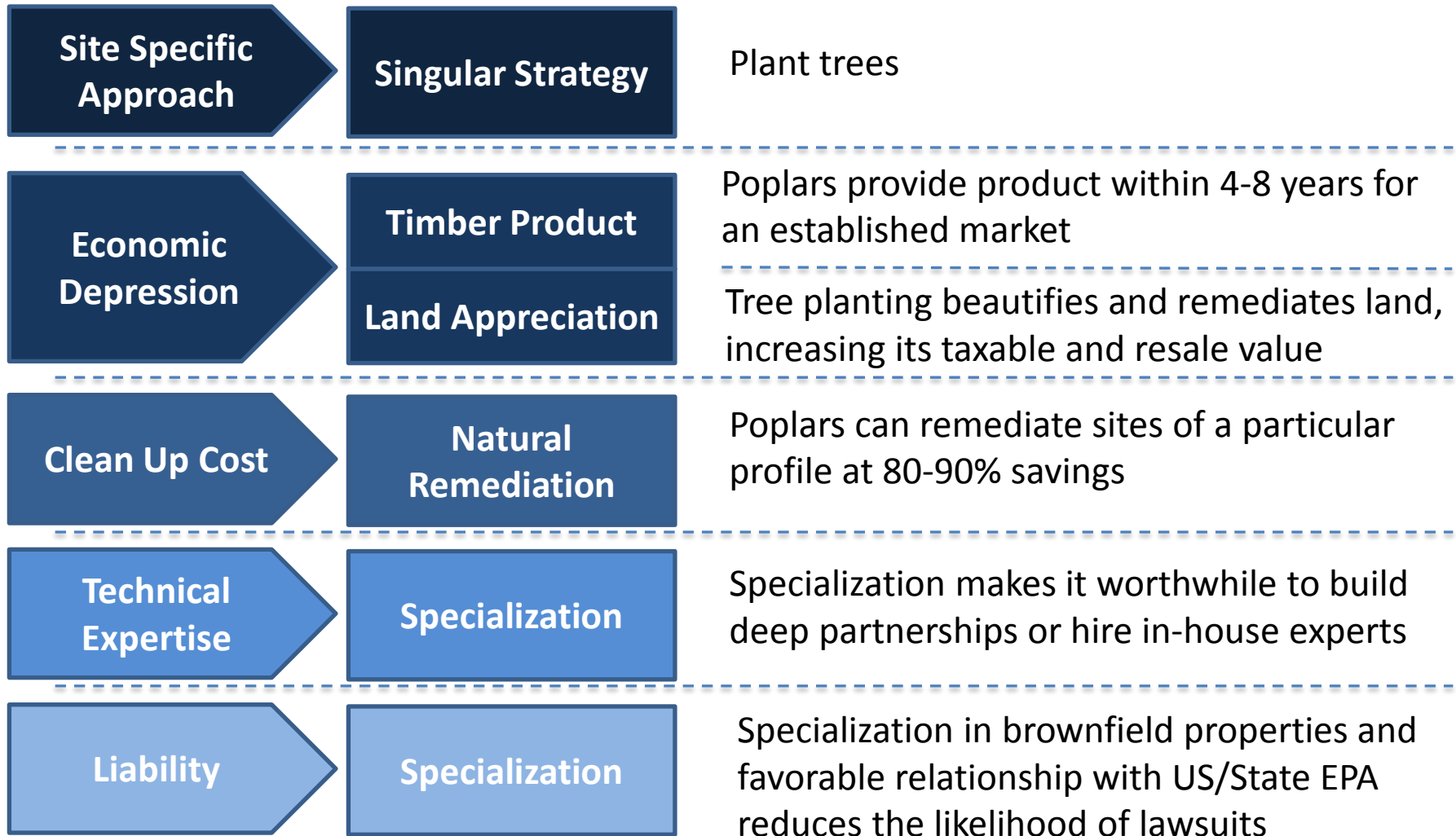
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Why brownfields don't move

Site Specific Approach	For each brownfield, the potential use and the necessary remediation are treated as unique
Economic Depression	Economically depressed areas show limited potential for redevelopment through mainstream capital markets
Clean Up Cost	Clean up costs average \$57K/acre for mechanical remediation and are uncertain
Technical Expertise	Developers don't have technical expertise in environmental clean-up
Liability	Wide liability net: anyone who owns or "disturbs" the land takes on liability for the impacts of contamination on people and ecology

Poplar trees provide an elegant solution



Our model brings together existing strategies

Poplars used to remediate brownfields



Since 1989



Poplars planted for forest products



- Established 1998
- Manages 31,800 acres in North America, China, Europe, Latin America

**Fresh Coast
Capital**



A hybrid poplar TIMO that combines and scales the two while providing competitive returns.



Source of Fresh Coast Returns



- Timber, pulp, and paper trees harvested every 8 years
- Short rotation trees harvested every 4 years for biomass
- Land appreciation value
- Remediation fees
- Future monetization of ecosystem services

Source of Returns: Pulp, Paper and Timber

State of the
Industry

Revenue

\$27.2bn

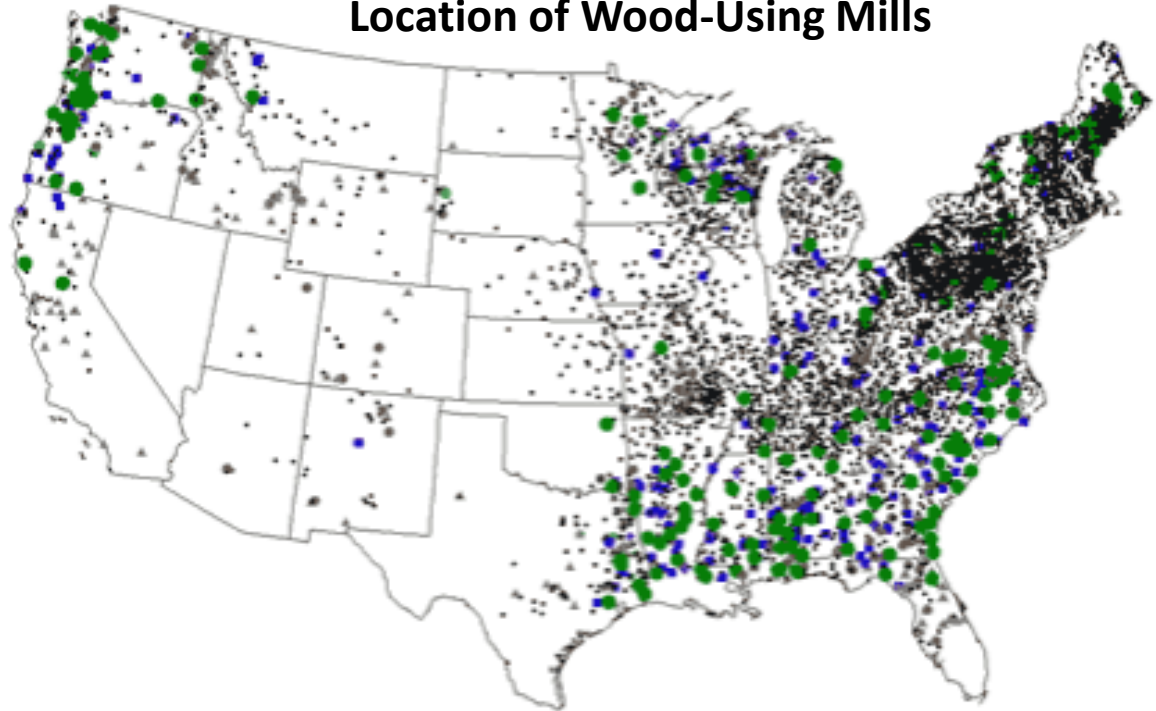
Annual Growth 09-14

5.6%

Annual Growth 14-19

5.5%

Location of Wood-Using Mills



Proximity to
Market

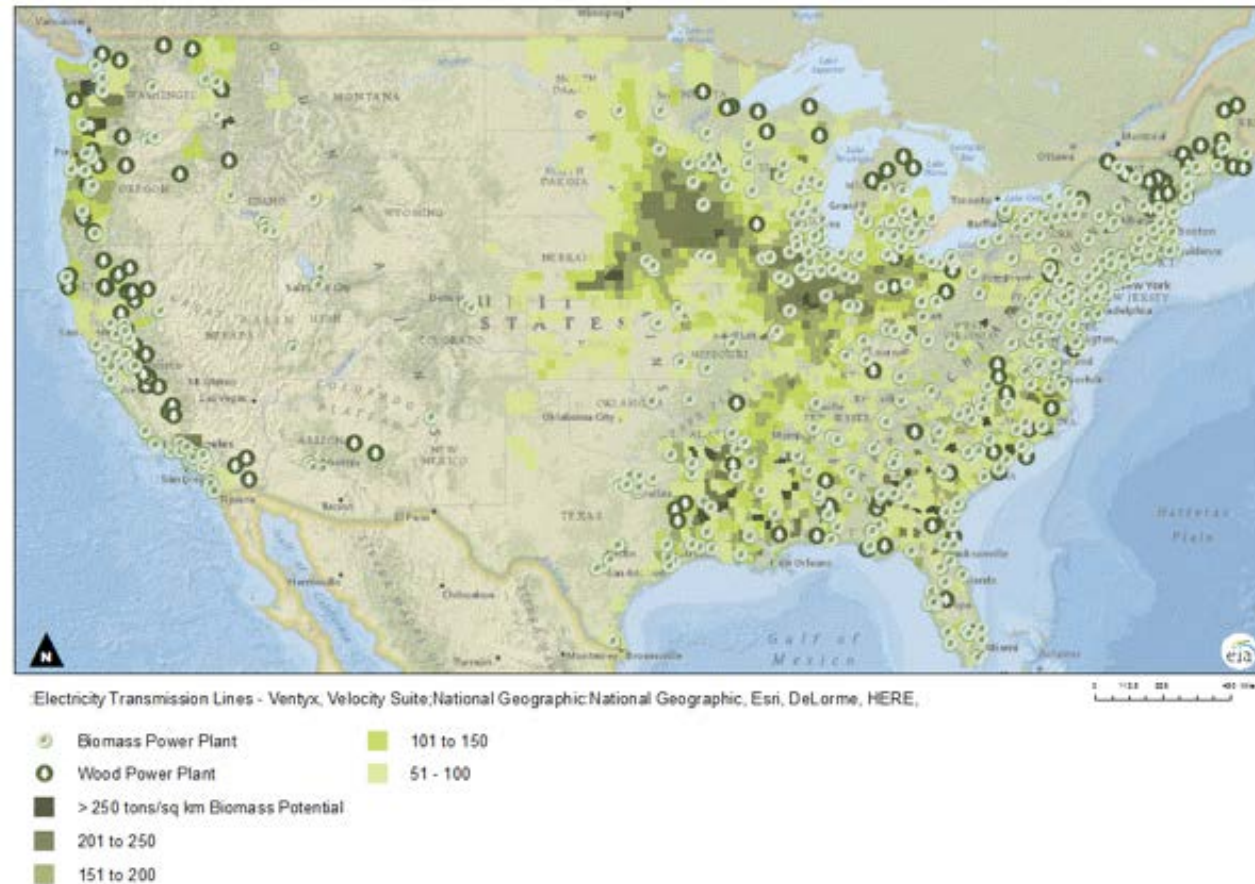


Source of Returns: Biomass Power

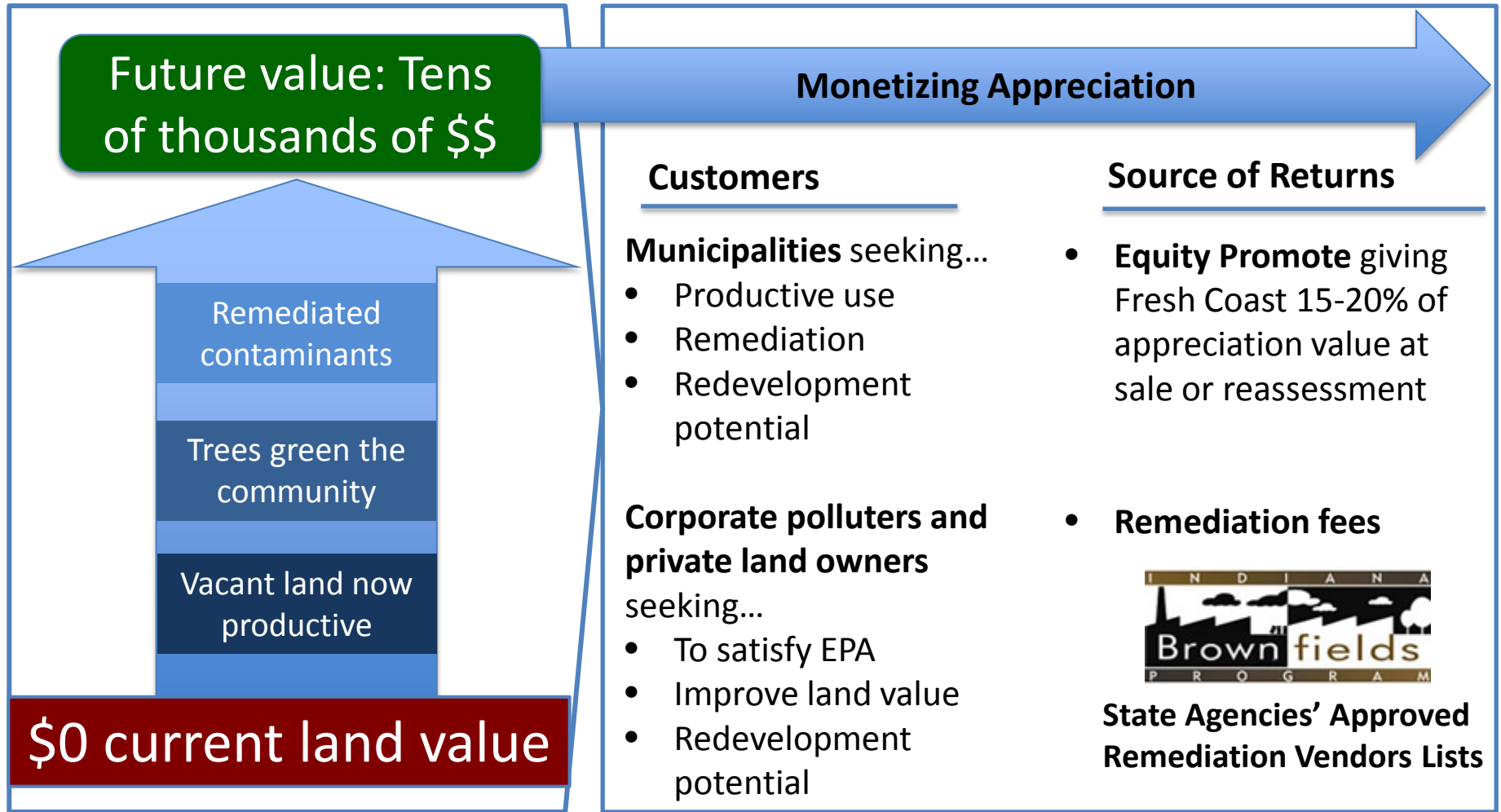
- Every 4 years, poplars are harvestable for wood products that supply fuel for biomass power plants and modular power facilities
- 38M tons of wood currently used for biomass power to supply U.S. electric consumption, producing 10x the wattage of solar PV
- \$1.2B in U.S. spending on biomass electric power in 2013

U.S. DEPARTMENT OF
ENERGY

Current Biomass Power Facilities



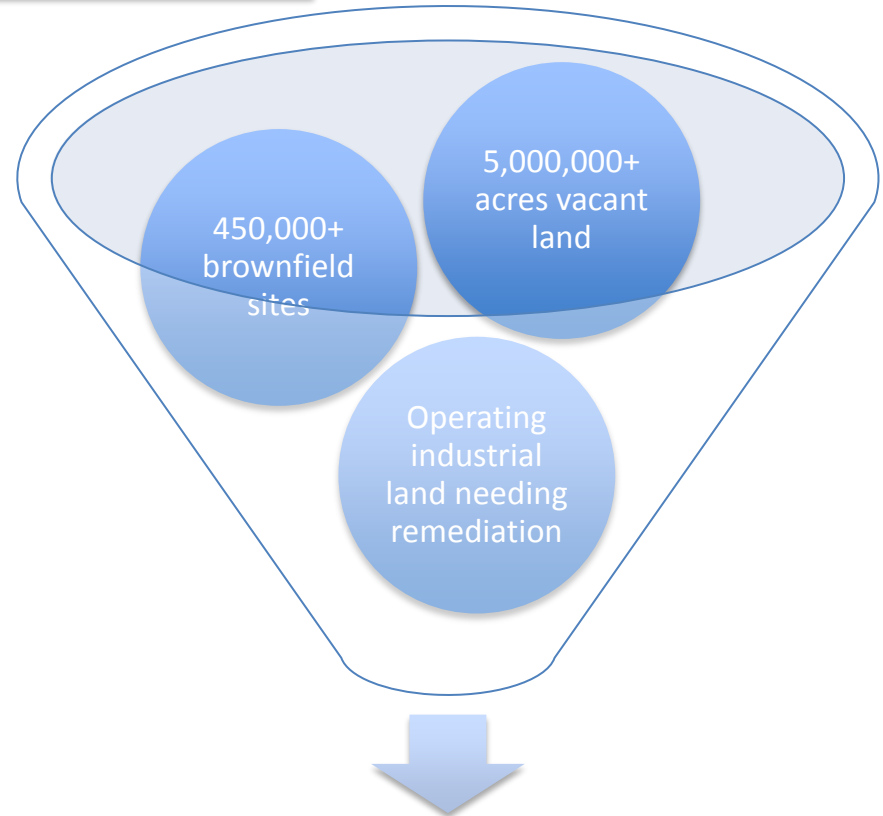
Source of Returns: Land Value Appreciation



Investment Criteria

1. Sites should not have significant **structures**
2. If sites are contaminated, should be **approved for remediation** through planting trees
3. Sites should be about **40 near-contiguous acres**
4. Sites should be near a **profitable market** for forest products
5. Sites should ecologically **support growth of poplar trees**
6. Site owners should **be willing to wait 8-16 years** for development

Available Acreage



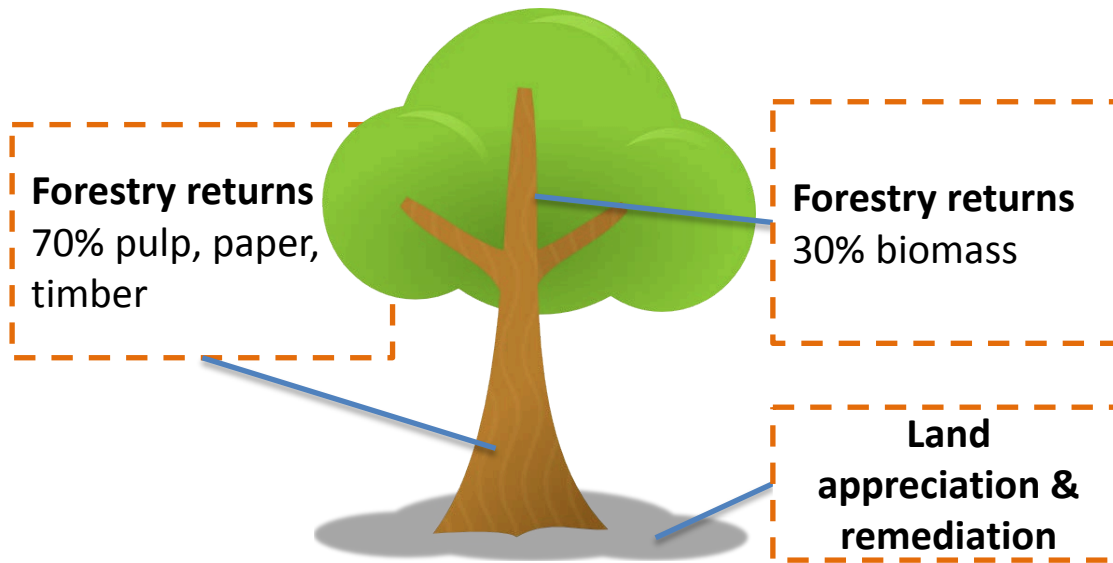
At least 500,000 acres for
Fresh Coast Capital

Scaling the Fund

Investment Manager	Fresh Coast Capital
Fund Name	Fresh Coast Forest Fund
Fund Structure	Evergreen Fund with 10-year renewal periods
Fee Structure	1% management fee, 20% performance fee

	Series I	Series II
Size	\$50 Million	\$250 Million
Acreage	25,000	125,000

Powerful Returns Compete with Typical Timber...



20-year real returns (net)

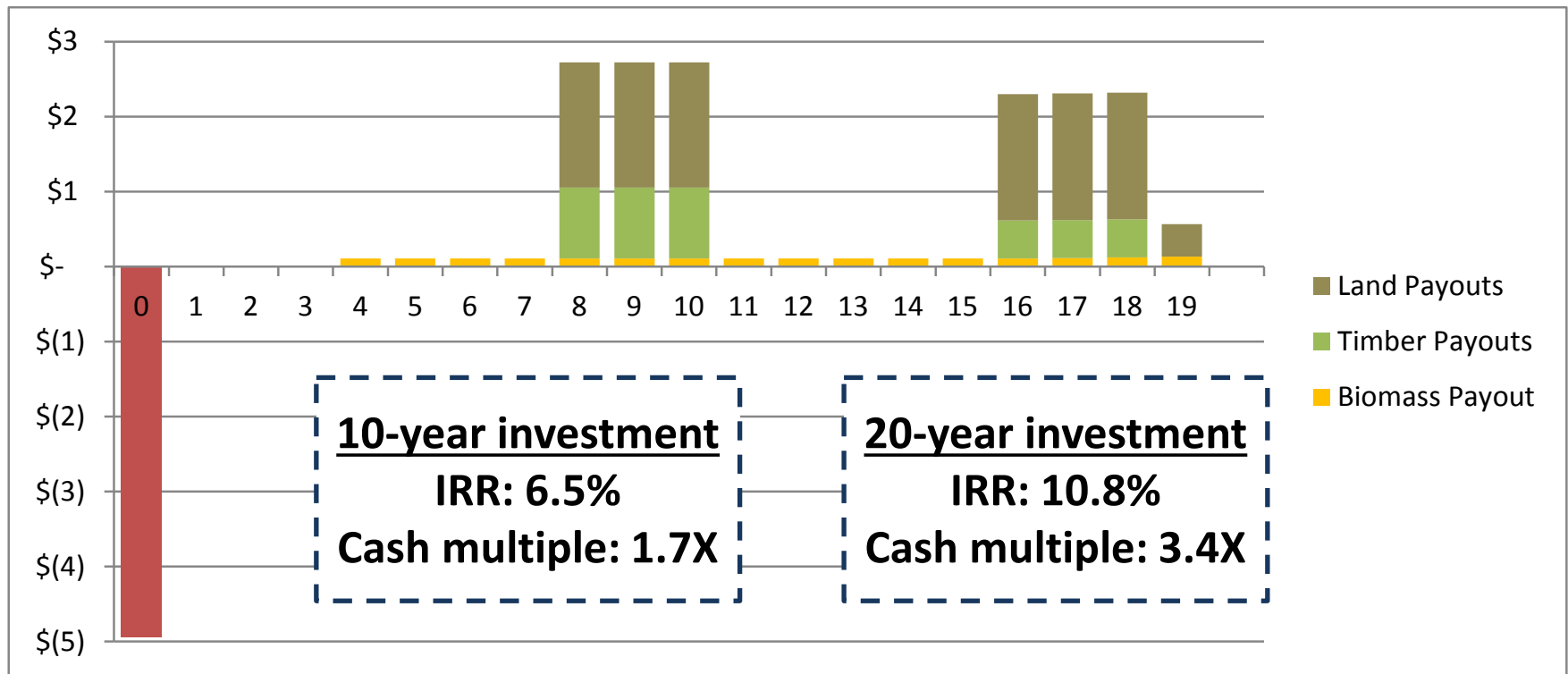
Forestry Ops.	8.1%
Total return	10.8%

Real Returns	10yr.	20 Yr.
Treasury Real Return (TIPS) ¹	0.6%	1.0%
Typical timber returns ²	5%– 8%	
Fresh Coast Forest Fund	6.5%	10.8%

Asset Characteristics

- Low liquidity
- Current income
- Low correlation with other asset classes
- Inflation hedge
- Tax advantages

A \$5M Investment: Current Income + Long-term Returns



Return Enhancement Opportunities

Environmental Impact

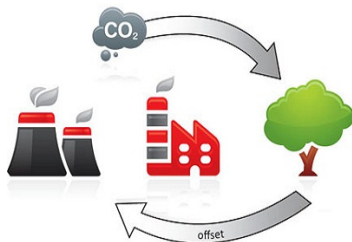
Government Grants



Stormwater Management



Carbon credits



Other Poplar Products

Biochar



Cellulosic ethanol



Diversifying Crops

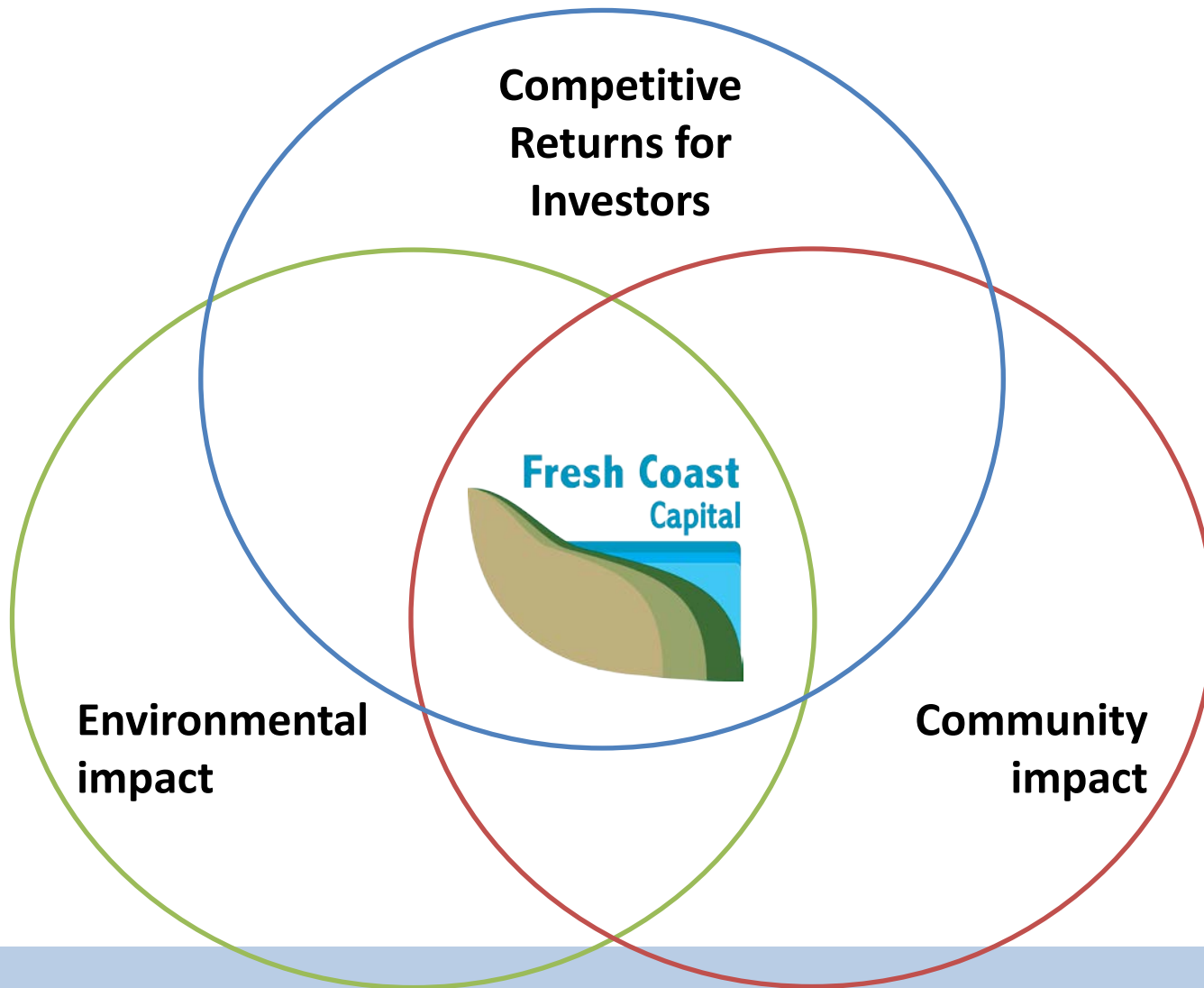
Switchgrass



Willows



A Profitable and Impactful Opportunity



Special Thanks to Our Advisors



US Environmental Protection Agency

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