

DATE: March 5, 2026

MEMO TO: Sara Knizhnik, Chair
Operations Committee

Gina Roberts
Finance Committee

FROM: Pati Vitt
Director of Natural Resources

REQUEST: Provide policy direction regarding the sale of carbon credits.

STRATEGIC DIRECTIONS SUPPORTED: Leadership, Conservation, Organizational Sustainability

FINANCIAL DATA: The financial impact of selling carbon credits will depend on the manner in which the sale proceeds are held. Staff recommends that proceeds be directed to the Preservation Foundation of the Lake County Forest Preserves for long-term investment in the endowment in higher yielding investments, to provide an on-going funding source for natural resource restoration and management.

BACKGROUND: In 2021, the District first generated carbon credits for tree planting work that occurred from 2019-2021 at multiple preserves. That work was grouped into a single project with respect to carbon credit generation and then certified by City Forest Credits (CFC), a national non-profit carbon registry and certification body. Carbon credits from the tree planting project are released to the District at specific intervals throughout the 25-year project duration and are then able to be sold. The initial credit release occurred in 2021 at the start of the project, and those initial credits were successfully sold by the District with help from CFC and Morton Arboretum to aggregate them into a national sale. Additional credit releases for the planting project occurred in Year 4 (2025), and will occur in Year 6 (2027), and Year 26 (i.e. project completion in 2046).

In 2025, the District submitted a proposal to CFC, again with the assistance of Morton Arboretum, to generate carbon credits from tree preservation activity generated by acquiring and preserving wooded lands that could have otherwise been impacted by development. The 2025 proposal includes recent acquisitions at Wadsworth Savanna (Brownlee parcel) and Lotus Country Conservation Preserve. The District expects carbon credits to be certified for the recent acquisitions at both preserves.

Consequently, staff is seeking policy direction on whether and how to proceed with the sale of carbon credits that the District has generated. There are essentially three ways the District could sell its carbon credits:

1. Direct sale of credits by District (or Preservation Foundation);
2. Sell credits with assistance from a consultant (such as Otium Business Consulting); or

3. Sell credits via a carbon broker or marketplace.

Each option has various advantages and disadvantages to be discussed.

It is expected that the direction would apply specifically to: (i) the sale of the 2025 credits expected to be certified for tree preservation activity at Wadsworth Savanna (Brownlee parcel) and Lotus Country, (ii) sales of carbon credits from the 2021 tree planting project that were released in 2025, and (iii) sales of carbon credits from the 2021 tree planting project that are expected to be released in 2027. Staff will seek further policy direction for other future activities that may generate carbon credits.

REVIEW BY OTHERS: Executive Director, Chief Operations Officer, Deputy Director of Finance, Manager of Board Operations, and Corporate Counsel.