

MOUNTCREST WORKING FOREST CONSERVATION EASEMENT

Oregon Small Woodland Owner Assn.
June 21, 2019
Connie Best



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Private Forests. Public Treasures.

Our Mission

Since 1993, the Pacific Forest Trust has worked in partnership with private landowners, communities and government agencies to sustain America's forests for their many public benefits of wood, water, wildlife and people's well-being.



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Working together to keep forests as forests



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Family forest have many challenges for sustainability

- Aging family forest owners
- Next generation fractured and frustrated
- Cash needs
- Globalized wood markets are uncertain
- Rising costs
- Capital intensity and need for diversification



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Working forest conservation easements – secure private forests for public benefits

- Permanently conserve forests to the maintain un-fragmented lands and basis for wood products
- Achieve voluntary conservation of water quality, fisheries and habitat
- Prevent future resource and land-use conflicts



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Typical Working Forest CE Restrictions

Every one is unique and site-specific

- Limit or prohibit subdivision & building
- Guide timber harvest and other uses consistent with family stewardship vision
- Identify rare or sensitive habitats to be managed primarily for wildlife
- Establish BMPs for road building & maintenance
- Ties in with management plan for operations



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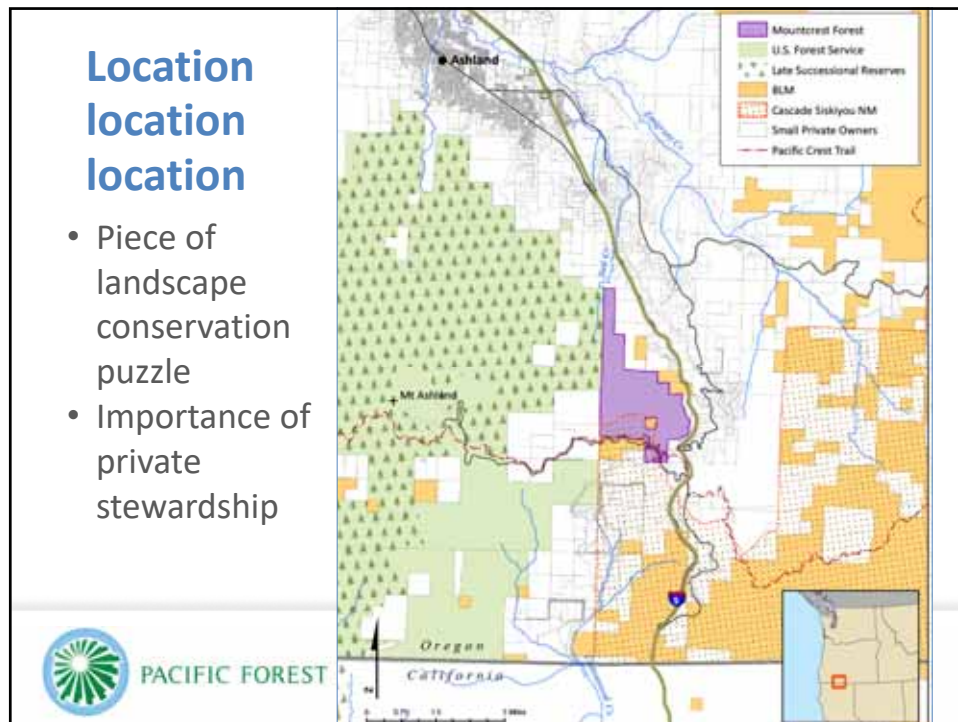


Mountcrest: a 1771-acre family forest on the Siskiyou Crest



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Goal: Sustain a working forest with high value timber *and* habitat

- Siskiyou mixed conifer with significant hardwoods
- Well stocked with large, older trees
- High mountain meadow wetland, aspens
- Many headwater springs and creeks
- Oak woodlands

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Goal: Complex, mature, native Siskiyou forest

- Uneven-aged management for natural diversity
- Goals for late seral elements
- Limit on timber harvest volume per decade: 25% of inventory leads to older forest overall
- 5 acre maximum opening



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Wildlife love funky forests!



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Goal: Healthy managed riparian zones

- Buffers for aquatic habitat and water quality: Shade, soil stability, in-stream wood
- Conserve/restore diverse canopy with gaps and multiple stories
- Conserve/restore large conifers and hardwoods
- *No development or sale of water for off-site use*



*150 foot buffer on year round fish bearing
100 foot buffer on year round non-fish
50 foot buffer on seasonal, no aquatic life*



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Goal: Protect and enhance special habitats

Not “no touch”- focus management to sustain these

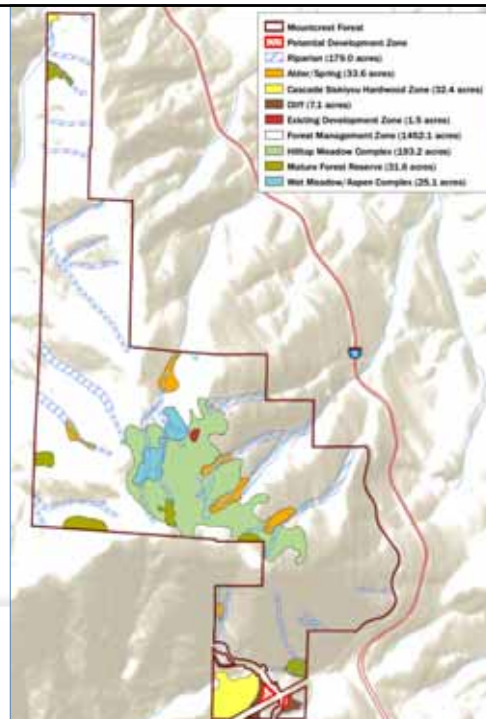
- Mature forest
- Cascade Hardwoods
- Wet Meadow - Aspen
- Hill-top Meadow
- Alder - Spring



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Mountcrest Zoning: Special Habitat Management, Riparian, Forest Management, and Development



Valuation of WFCEs

- Independent appraisal by qualified professional
- Reviewed and approved by funders
- Main value drivers:
 - Forgone development
 - Delayed or diminished logging
 - Minerals, water rights
- PFT experience: WFCE = 40 – 60% of fee FMV



Funding partnership for the \$3.2 million Mountcrest Working Forest CE

First state-funded working forest CE held by a land trust

- Oregon Watershed Enhancement Board
- USFWS Non-Traditional ESA Section 6 Grant through Oregon Dept. of Fish and Wildlife
- M.J. Murdock Charitable Trust
- Doris Duke Charitable Foundation grant through the Nature Conservancy for climate resilience
- Mountcrest Forest LLC's in-kind charitable donation of 27% of the \$3.2 million value



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Landowner tax benefits of WFCE grant

- Direct compensation of reduced land value through purchase at current fair market value
 - Taxable as capital gain and can be reinvested
- Gifts may bring charitable income tax deduction which were permanently enhanced for CEs in 2015
 - Deduct up to 50% of income
 - Deduct up to 100% for certain farmers and ranchers that earn 50%+ of gross income from agriculture and/or timber business
 - 15 year carry-forward
- Potential estate and property tax benefits



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Mountcrest's 4 year conservation process

- Natural resource and title investigation
- Easement terms
- Public outreach
- Fundraising - government and foundation grants
- Appraisal
- Baseline documentation
- Monitoring plan



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What Happens After the WFCE Grant? Stewardship

- Review management plan
- Annual meeting with landowners
- Property site visits yearly or more often for timber harvest operations
- Use remote sensing
- State back-stop for enforcement



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Leveraging a WFCE for regulatory assurances for reduced risk and costs

- Potential Safe Harbor and Candidate Conservation Agreement coverage under ESA for listed and candidate species.
- PFT has worked with other WFCE grantors in CA for ESA assurances.



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Now back to work!



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**Thank
You!**



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