

Challenges Facing Private Landowners



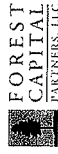
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Purpose

To explore the opportunities and barriers facing conservation groups and landowners who are interested in promoting conservation values on private forestland and preventing conversion of forests to non-forest uses



Key Questions

1. What are conservation-minded parties doing now to promote conservation values on private forestland and to prevent conversion?
2. What are the barriers and opportunities for those promoting conservation values? What is working and what is not? Are there tools missing?
3. What is the mix of leadership and actions in the non-profit, for-profit, and governmental sectors needed to overcome barriers and take advantage of opportunities?

AGENDA ITEM A
Attachment 18
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What are we doing?

Fiduciaries must maximize net present value (NPV) while upholding stewardship standards.

Maximizing NPV

- Expand Revenues
- Reduce Costs
- Reduce Risk



What are we doing?

Expanding Revenues

- Capture current opportunities
 - Conservation sales and easements
 - Leasing land for ecosystem services (nowhere in the West)
- Create future opportunities via policy advocacy
 - Carbon
 - Certification
 - Green building
 - Public access

What are we doing?

Reducing Costs

- Streamlined and efficient certification and regulatory compliance

Reducing Risk

- Social license via regulatory compliance and voluntary certification
- Conservation sales

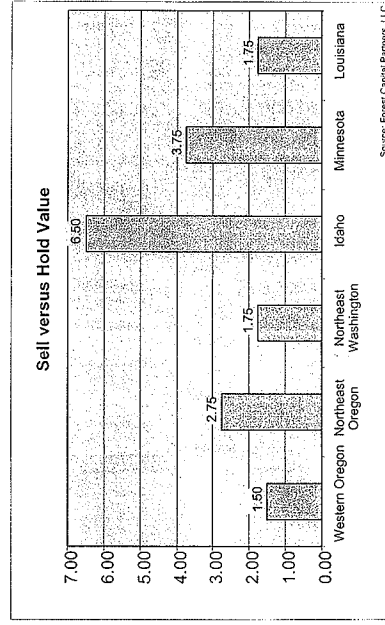
Barriers and Opportunities

- Dearth of incentives that increase NPV
 - Cost/benefit of most programs (e.g., carbon, certification) do not incentivize landowners to modify behavior
 - Forest Capital Partners actively seeks and creates opportunities that do

Public funding for public values
Programs do not often consider NPV

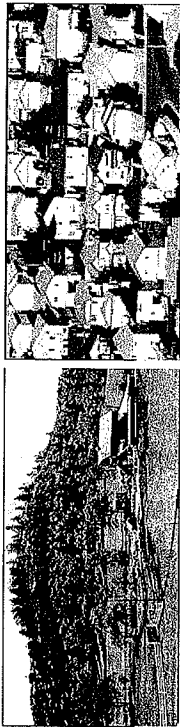
Leadership and Actions

Recognize that “business-as-usual” is leading to deforestation of 1-1.5 MM acres nationally



Leadership and Actions

Recognize that “business-as-usual” is leading to competing ballot initiatives and challenges to land use planning



Leadership and Actions

Diversify Land Use Approach

<p>I. Increase Working Forest Values Improve Timber Resource Economics</p>	<p>II. Increase Working Forest Values Improve Non-Timber Resource Economics</p>
<p>III. Decrease Alternative Land-use Values Compensate/Incentivize Landowners for Forgoing Fragmentation</p>	<p>IV. Decrease Alternative Land-use Values Regulate/Restrict Landowners to Prevent Fragmentation</p>

I. Strategies to Increase Working Forests Values: Improve Timber Resource Economics

1. Technology Investments
 - Forest productivity
 - Wood-based energy
 - Wood-based manufacturing
2. Mill Capacity
 - Critical mass of supply
3. Land Use Incentives
 - Tax policy
4. Regulatory Stability
 - Promoting working forests
 - Streamlining forest certification administration

II. Strategies To Increase Working Forest Values: Improve Non-Timber Resource Economics

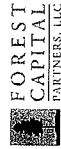
1. Carbon Sequestration
2. Ecosystem Services
3. Public Access, Recreation & Hunting
 - Payments, tax incentives, conservation easements, market mechanisms

III. Strategies That Decrease Alternative Land-use Values: Compensate/Incentivize Landowners

1. Development Rights
 - Payments to limit/cluster or extinguish land conversion
2. Conservation Easements
 - Payments to alter forest management regimes to provide public benefit

IV. Strategies That Decrease Non-Forest Values: Regulate/Restrict Landowners

1. Zoning/Regulations



Leadership and Actions Priorities

1. Capacity support
 - Adequate supply (e.g. federal policy)
 - New markets (e.g. biofuels)
2. Conservation funding for development rights purchases
3. Financial incentives for public access (ecosystem services)
4. Qualifying forests for carbon offsets
5. Funding for OSU research programs
 - Forest productivity, Wood Innovation Center, environmental
6. Regulatory policies that provide incentives for working forests
7. Streamline forest certification

