



2011 Legislative Concept Paper
December 7, 2010

Community Forest Trust **Protecting Working Forestlands at Greatest Risk of Conversion**

ISSUE Since the 1980s, about 17 percent of Washington's commercial forests have been converted to other land uses. As these forests vanish, so do the multiple benefits they provide to our communities like local timber jobs, clean air and water, green house gas reduction, fish and wildlife habitat, recreation areas, and open space.



Currently, DNR has no way to help protect high-risk forestlands as local working forests that could support themselves and their communities' values into the future.

BACKGROUND DNR, the evergreen state's own forest land manager, lacks the tools to protect working forest lands at high-risk of conversion. Today, DNR manages the state trusts' lands—fiduciary trusts that must produce revenue for specific trust beneficiaries. More than 2 million trust acres are forested. DNR also manages Natural Area Preserves and Natural Resources Conservation Areas—conserved to meet a 'high bar' of ecological values.

The agency has tools to exchange into or purchase replacement forestland for the fiduciary trusts (and thus can acquire a few forests at some level of risk of conversion). DNR also can acquire some ecologically significant high risk forests as natural areas. However, none of DNR's existing land management authorities can preserve the working forests at greatest risk of conversion.

This gap could be addressed by creating a new category of land ownership specifically for rapidly urbanizing and suburbanizing areas—state and private forestlands could be obtained through new use of existing tools.

PROPOSAL Establish the *Community Forest Trust* as a category of state-owned working forestland managed to emphasize multiple community values by reinvesting ongoing revenues from forestry and other forest uses into the management and protection of these same lands.

The *Community Forest Trust* lands could be acquired from existing state trust lands, or private lands that are at high-risk of conversion—and are less able to be managed for more concentrated timber management—and those that have significant local conservation value. Acquisition tools could include:

- ✓ Trust Land Transfers (traditional capital budget program)
- ✓ Land exchanges and transfers
- ✓ State or federal appropriations

- ✓ Public or private grants
- ✓ Donations
- ✓ Community forest bonds

The lands would be managed by DNR as working forests for community conservation, local timber jobs, clean air and water, fish and wildlife habitat, recreation areas, and open space.

2011 agency request *Community Forest Trust* legislation

- Establish the *Community Forest Trust* as a working forest category, managed by DNR,
- Establish criteria for *Community Forest Trust* acquisitions, and a biennial nomination process,
- Authorize the transfer of appropriate state trust lands into the *Community Forest Trust*,
- Authorize acquisition of willing sellers’ private lands into the *Community Forest Trust*,
- Establish local community HBU investment/match requirements
- Establish revenue-producing, conservation purposes, objectives for revenues generated from the *Community Forest Trust* lands,
- Require a ‘community working forest management plan’ developed with community involvement for each specific *Community Forest*,
- Provide for divesting of *Community Forest Trust* lands that fail to work as established.



DNR will seek \$50 million in funding through an existing capital budget program – the 2011/13 biennium’s Trust Land Transfer Program, to transfer existing state lands into the *Community Forest Trust* and seek tools to reimburse the state capital fund for unrealized development value of the targeted lands.

Implementation of this legislative package in the 2011/13 biennium would include:

- ✓ Transfer of \$50M worth of trust lands into the *Community Forest Trust*,
- ✓ Purchase of replacement fiduciary trust lands,
- ✓ Development of management plans for the new *Community Forest Trust* lands, with the participation of the local community, including elements for:
 - conservation and community values,
 - revenue production, and
 - re-investment of net income produced in conservation and community value outcomes.

FISCAL IMPACT

Acquisition of *Community Forest Trust* lands would require capital funding, either from state legislative capital appropriations or private foundations. Ongoing management is intended to be revenue neutral, as activities would generate revenue sufficient to cover management costs. However, new FTEs likely would be required to manage the acquired lands. In addition to direct budget effects, there may be revenue benefits and avoided costs for local governments and water utilities by maintaining ‘ecosystem services’ such as clean water, fish and wildlife habitat and other such benefits from the properties acquired.