

**Parcelization and Forest Fragmentation Roundtable
Convened by the Vermont Natural Resources Council
September 18, 2006
Meeting Summary**

Meeting Participants: John Austin, Put Blodgett, Michelle Boomhower, Farley Brown, Brett Butler, Marta Ceroni, Cindy Cook (Facilitator), Paul Costello, Jad Daley, Jamey Fidel, Ehrhard Frost, Ken Gagnon, George Gay, Karen Horn, Bill Keeton, Melanie Kehne, Tom Kennedy, Hugo Liepman, Katie Manaras, Johanna Miller, Meg Mitchell, Lisa Sausville, Bill Schmidt, Adam Sherman, Steve Sinclair, Jeff Smith, Peter Upton and Andy Whitman.

Welcome

Jamey Fidel, Forest Program Director at VNRC welcomed participants. He noted that there are many directions that the group might take. He would like to focus the next several meetings on forestland valuation, housing market trends, property tax issues, the current use program, and then discuss state and municipal planning and conservation planning.

Steering Committee and Website

Jamey invited those who are interested in serving on a roundtable steering committee to contact him. He believes that the steering committee can accomplish its work via conference calls and e-mail.

The roundtable website will be updated and made interactive by the October meeting. Participants will be able to go to www.vnrc.org and click on the forest roundtable website on the left hand side of VNRC's homepage.

Ground Rules and July Meeting Summary

The group reviewed and approved the revised roundtable ground rules.

Not everyone had reviewed the July meeting summary. Cindy will re-circulate the draft for review and comment prior to the next meeting.

Vermont Forest Values and a Score of their Importance and Vulnerability

Andy Whitman facilitated a conversation re forest values. Jamey noted that he would gather input from Roundtable participants who were not able to attend this meeting. Participants who were not at the September 18 meeting are encouraged to read Andy Whitman's Appendix below and send Jamey their responses to the forest values exercise.

- Brainstorming was used to generate a list of forest values, things that were important to the participants about Vermont's forests.
- There were three brainstorming groups one for each value group: environmental, social, and economic.

- Andy Whitman consolidated values from each group (see Appendix below for original values) and added a “Theme” column that to help organize and stimulate thinking (Andy Whitman: ignore the themes if they are confusing or unhelpful!).
- Participants were allowed to add additional values to the consolidated list (none elected to do so) if something was missed in the group brainstorms or by Andy Whitman’s consolidation.
- There were two dot exercises. In the first exercise, participants were given three blue dots to identify 3 environmental, 3 social, and 3 economic values of *greatest importance* to them. Participants were allowed to put all three of their environmental dots on one value. In the second exercise, participants were given three blue dots to identify 3 environmental, 3 social, and 3 economic values *most threatened by forest parcelization and fragmentation* in Vermont to them. Participants were allowed to put all three of their dots on one value in any one of the value groups (environmental, social, and economic).

| Consolidated List of Environmental Values | | | |
|--|---|--------------------------------|-----------------------------------|
| Theme | Value | Importance (number of dots) | Vulnerability (number of dots) |
| Ecological processes | Long-term ecological functioning (including ecological processes that maintain water, air, and soil productivity and quality; forest health; and forest productivity) | 19 | 19 |
| Structure | Habitat connectivity (including the maintenance of gene flow) | 13 | 17 |
| Composition | Maintain plant, fish, wildlife, and natural heritage (diverse native species) | 12 | 9 |
| Other | Environmental amenities (aesthetics, recreation, etc.) | 6 | 2 |
| Ecological processes | Carbon storage (to affect global climate change) | 4 | 3 |
| Other | Forests are references or benchmarks to assess environmental change | 4 | 1 |

Consolidated List of Social Values

| Theme | Value | Importance (number of dots) | Vulnerability (number of dots) |
|----------------------------|--|-----------------------------------|--------------------------------------|
| Values held by individuals | Forest ethics and sense of stewardship for diverse forest values | 11 | 7 |
| Sense of place | Rural remote sense of Vermont (including diverse habitat for wildlife and large remote tracts) | 10 | 10 |
| Values held by individuals | Diverse and wholesome recreational opportunities | 8 | 2 |
| Values for society | Intergenerational connection to forests | 6 | 8 |
| Values for society | Forest-based economy supporting a community and diverse society | 4 | 5 |
| Values for society | Traditional uses (hunting, fishing, etc.) | 4 | 5 |
| Values for society | Self-sufficient culture | 3 | 4 |
| Values for society | Personal connection to forests supporting social connections | 2 | 9 |
| Sense of place | Dependence on diverse forests | 2 | 1 |
| Values held by individuals | Spiritual, aesthetic values | 2 | 0 |
| Values held by individuals | Forest experiences available to all regardless of income level (low or no cost) | 1 | 2 |
| Sense of place | Visual experience of pastoral wooded matrix | 1 | 1 |
| Values for society | Economic safety net | 0 | 1 |

Consolidated List of Economic Values

| Theme | Value | Importance (number of dots) | Vulnerability (number of dots) |
|------------------------|---|-----------------------------------|--------------------------------------|
| Jobs | Primary forest-based jobs (industrial – logging, manufacturing, etc.) | 15 | 16 |
| Forest materials | Water (e.g., clean water) | 11 | 10 |
| Jobs | Secondary forest-based jobs (e.g., tourism, recreation, etc.) | 8 | 7 |
| Economic opportunities | Economic opportunities supported by forested landscape (including amenity dependent jobs) | 6 | 2 |
| Forest materials | Energy source | 6 | 3 |
| Forest materials | Sustainable resource flow (long-term) | 5 | 9 |
| Land asset | Keeping land asset in family (intergenerational) | 4 | 3 |
| Jobs | Forest-based jobs related to traditional uses (hunting, fishing, etc.) | 4 | 2 |
| Economic opportunities | Economic opportunities uniquely supported by large forested land parcels | 0 | 2 |
| Land asset | Support of local tax base | 0 | 2 |
| Land asset | Land asset value | 0 | 0 |

Andy Whitman's commentary:

My summary: The group was most interested in maintaining forest-related jobs, and flow of forest-based materials (wood and clean water), forest ecosystem function (related to the previous item), landscape configuration and values held by individuals (sense of place, sense of stewardship, and valuing outdoor activities). All of these values were considered to highly vulnerable to the impacts of forest parcelization and fragmentation.

Other underlying themes (we did not set the conversation up to effectively get at these themes)

Scale: All groups acknowledged that scale was important. Some values may be easiest to maintain in landscapes with large forest blocks (as opposed to landscapes comprised of small forest blocks). Scale and values is also a social question, a matter of social or personal

preference. It is important to ask your self: at what scale do you want to maintain a value? In Maine, for people who value old forest, we often ask do you want old forest in every town, every county, or is it enough to have it in a few places in the state?

Intergenerational issues: All conversation included a sense of future. The passing of values to the next generation was best articulated though in the social and economic groups. In the social group, it came up with respect to passing on a sense of stewardship. In the economic group, it came up in terms of keeping land in the family over multiple generations. Future generation of Vermont residents may not have the same values for Vermont's forests as you do! I encourage you all to have intergenerational conversations about forest values (have a number of 5 minute conversations with a variety of teenagers) to begin to understand intergenerational differences. My limited experience with this issue is that there is an intergenerational disconnect that goes beyond what you could attribute to a gap age stage differences in perspective.

Change: My sense was that most of the conversations focused on looking at what people appreciated in the past and/or present for Vermont forest values. It may be helpful to acknowledge change; think about how change can be used to maintain important existing values; and think about new, positive forest values that change will bring or could bring if change is well-managed. For example, new and second homes in Maine for retirees are contributing to rising land prices and taxes, shortage of affordable housing, and habitat loss/fragmentation. On the other hand, these retirees can be tremendous community assets as they fill up their time volunteering for schools, local non-profit organizations, and local government. They also require much less community resources (education and social services) than the average local resident.

Appendix: Lists of values (things that are important about Vermont's forests) from 9/18/06 morning brainstorming session

Environmental Values

- Long-term ecological functioning
- Conservation of Vermont's plant, fish, and wildlife and overall natural heritage
- Ecological processes that maintain water, air, and soil productivity and quality
- Carbon storage (offset global climate change)
- Forest Health
- Gene flow: connected habitats on a regional level
- Natural system allows us to monitor our impacts on the system (living classroom)
- Environmental amenities (aesthetics, recreation, tourism, healthy living environment for people)

Economic Values

- Keeping forest as an asset for family through generations of ownership

- Tourism
- Water
- Sustaining community/stability in region
- Jobs – consistent with character of Vermont and capable of supporting infrastructure of forest industry
- Secondary and tertiary employment – supporting entire chain
- Timber and forest products – all types
- Recreation
- Forest parcels that are large enough and connected enough to support the above
- Forest landscape that supports jobs and attracts employers (includes amenities that attracts jobs/new employers)
- Quality of life
- Real estate
- Forest parcels to support carbon market
- Contribute to rural atmosphere
- Sustainable and renewable products (long –term (i.e. 500 years)
- Energy
- Support wildlife and associated activities hunting, wildlife watching
- Contribution to tax base

Social Values

- Forest ethic – forest-based life values
- Rural, remote sense of Vermont (sense of place)
- Promotes sense of stewardship, connection to land, sports, recreation, wildlife, economic values
- Spiritual, aesthetic, artistic solitude, seasonal, natural harmony
- Connecting to forests, healthy forests, essential to political decision making
- Support diverse forest-based economy to maintain diverse culture and social fabric
- Recreation resource – wholesome, diverse, active rich outdoor way of life
- Supports energy, self-sufficiency (woodstove culture)
- Provides children with opportunity to explore, feel connected to and understand the wild (“The Last Child” book theme - no child left indoors)
- Cultural heritage/ historic activities – hunting, fishing, gathering maintained
- Community viability and vitality through economic, social, and environmental benefits to towns, etc.
- Dependence of humans on flora and fauna of forests – they suffer, we suffer
- “Free” resource for enjoyment
- Big enough to get lost in ... bigger than what’s familiar
- Wildlife habitat, knowing that there is a place for wildlife
- Friendships formed, strengthened in woods and wild places (.e.g., building forts), forests as unifying glue in Vermont
- Safety net – food, shelter, energy resource in forests, water, forest products – survival source

Updated Trend Information/Data and Perspective on Parcelization and Forest Fragmentation in our Region

Brett Butler, U.S. Forest Service, Forest Inventory & Analysis & Family Forest Research Center, gave a presentation on trends in parcelization and fragmentation in the Northeast. His presentation is posted on the roundtable website.

Some points that Brett made, or that came out in discussion include:

- ▶ “Parcelization” is the division of ownership, whereas “fragmentation” is the physical division of forested areas.
- ▶ 6 million landowners own less than 10 acres of forest. Many of these people do not consider their parcel large enough to be “forest”.
- ▶ Most forestland in New England is owned in parcels 10-499 acres and 1,000+ acres in size.
- ▶ Timber harvests are far less likely to be conducted on tracts of less than 50 acres than they are on larger tracts.
- ▶ Some forest tract consolidation is occurring, but the norm is parcelization. Subdivision of inherited parcels is one of many drivers.
- ▶ Other pressures on forestland include population growth, landowner turnover, changes in the timber industry, and changing expectations and objectives for forestland ownership.
- ▶ Most forestland is in private ownership. The average forest owner is 61 years old; half of private forest owners are retired.
- ▶ 20% of forest tracts are owned by people who are 75 years old or older. Changing demographics of forest owners leads to changing ownership objectives.
- ▶ The trend of agricultural land reverting to forest is now reversing.
- ▶ In New England, 51,940 acres of forestland is being converted to other uses annually.
- ▶ Increasing population density and smaller forest parcels leads to a diminishing interest in forest management.
- ▶ We need to develop markets for forest externalities. For example, water quality is one of the highest economic values we derive from forests, but forest owners are not compensated for this. Markets might be created for water quality, carbon, etc.
- ▶ The forest industry’s traditional focus was on mill operation, but in the mid 1980’s large timber investment companies took root.
- ▶ The tax advantages provided to Timber Investment Management Organizations (TIMO’s) can lead to short-term management goals. Many TIMO’s are set up to sell their land within 10 to 15 years.
- ▶ According to the National Woodland Owner Survey, forest owners cite aesthetics, privacy, nature protection and family legacy as their primary ownership objectives. Only 25% say that timber production is their primary objective, however, 73% of woodland owners engage in timber harvesting.
- ▶ Property taxes are the number one concern for landowners.
- ▶ “Forests on the Edge” makes trend projections.
- ▶ Build Out Analyses are important tools.

Participants commented that it would be good to have more Vermont-specific data, and that the trends are different in southern and northern Vermont.

- ▶ In Vermont, some data is available based on a very small sample size of woodland owner surveys. As a very rough estimate, approximately 100,000 acres are owned in 0-9 acre parcel sizes; 600,000 acres are in 10-49 acre parcel sizes; 500,000 acres in 50-99 acre parcel sizes; 1,550,000 acres in 100-499 acre parcel sizes; and 320,000 acres in 500 plus acre parcel sizes.
- ▶ Looking at forest landholdings in Vermont by number of landowners, the majority of landowners own parcels of 1-49 acres in size.

Jamey will be emailing other Vermont data provided by Brett, which can be used for educational purposes, but should not be cited, quoted or distributed.

Discussion on Scope of the Roundtable Focus

Jamey posed several questions regarding the scope of the roundtable's focus. For example, Jamey asked whether the roundtable should focus on urban versus rural parcelization, certain hot spots in Vermont, and certain parcel sizes versus all forestland. Jamey provided the following background information from the Forum on Sprawl:

- ▶ 60% of population growth and 45% of job growth is occurring in "new growth towns" or bedroom communities.
- ▶ 26% of population growth is occurring in outlying or rural towns. Rural towns comprise of the largest group of communities in Vermont.
- ▶ Chittenden County and the Connecticut River Valley are experiencing the highest growth in Vermont.

Steve Sinclair suggested that the roundtable look at forests in their entirety. Land tenure is an issue for people in urban and rural areas. The roundtable should speak to all landowners.

Bill Schmidt added that every parcel size matters. He noted that a 25-acre parcel was a National Tree Farm of the Year.

Michelle Boomhower suggested that 911 data could be used to assist in measuring housing density. Steve Sinclair added that useful information is available from the Forest Legacy program.

Hugo Liepman suggested that Vermont needs growth centers, groundwater protection, and different zoning strategies. Bill Keeton added that planning should look both ends of the spectrum and plan for growth centers in urban areas and minimum lot sizes in rural areas.

Farley suggested that the group look at Forestland Evaluation and Site Assessment (FLESA) as a tool and discuss ways that we are addressing landowner stewardship through incentive program and other partnerships.

The group agreed that it makes sense to “work the issue from both ends” by providing for growth while also determining what areas and values should be protected. There was general consensus that the roundtable should focus on all forestland in the state and not limit the roundtable’s focus to certain acreage sizes.

Panel Discussion with Woodland Owners and Managers

Bill Schmidt of the Vermont Woodlands Owners Association owns several hundreds acres of farm and forestland with conservation easements. He spoke about the challenge of having his tax bill triple, and the importance of the Current Use program. He struggles with invasive species, deer over-browse and the difficulty of regenerating hardwoods.

Bill provided the roundtable with a one-page overview of his presentation. This can be found at the roundtable webpage.

Jeff Smith is a forester for Meadowsend Timberlands, Inc. – a family-owned land management organization that manages land using a very long time horizon. Meadowsend owns about 30,000 acres. 2/3 of this is in Vermont; the remainder is in New Hampshire, Maine and Virginia. Jeff consults regarding the management of an additional 20,000 acres. Meadowsend’s goal is to manage land to produce timber products.

Jeff cited the following factors that create challenges.

- ▶ The decreasing stability of long-term markets for traditional forest products,
- ▶ The trend toward fewer, larger mills, making it increasingly difficult to support local mills,
- ▶ Taxes, and the difficulty of grieving taxes in multiple towns,
- ▶ Changes in the work force – less young kids going into industry,
- ▶ Public attitudes toward logging,
- ▶ Public attitudes toward buying (choosing goods produced elsewhere, rather than local products),
- ▶ Valuation – making the economics work in owning forestland, and
- ▶ Declining or stagnant wood prices and

Jeff commented that it would not be possible for Meadowsend to manage its property as it does without the Current Use program. He would like to see the program allow for more flexibility re management (e.g. leasing). He also noted that 1/3 of the land he manages has conservation easements designed to decrease tax values, and commented that easements should be flexible and creative. He would like to explore the concept of a carbon credit system, and closed by saying that we ought to try to increase the opportunities to generate revenue from healthy forests.

Peter Upton spoke about his experience as a private woodland owner. His long-term goals are to have a productive forest, to continue the family hunting tradition, and to preserve the landscape. Taxes are a significant issue for him, as is damage from unauthorized use by all-terrain vehicles. He noted that population pressures and society’s increasing affluence are

leading to increased pressure on forestland. Peter sees fragmentation as a real concern to the viability of forestland in Vermont. He commented that the WIP program is a hassle. Peter plans to put a conservation easement on his property.

Participants commented that tax listers rarely take conservation easements into account when valuing property—indeed some feel that easements can sometimes *increase* a property's value.

Ken Gagnon commented that one of the sources of stress on the timber industry is the decreasing reliability of log sources. The number of property owners that consider timber sales as an option is declining. Ken noted that mills are on edge.

Farley commented that parcelization leads to a concentration of land use pressures—including ATV use and hunting, because owners of smaller parcels are more likely to post their land than are owners of large tracts.

Bill Schmidt suggested creating regional woodland owners groups.

Conserving the Landscape by Supporting a Value-Added Forest Products Economy

Paul Costello, Executive Director of the Vermont Council on Rural Development, explained that his organization convenes groups to consider issues affecting rural communities. He noted that the forest industry is the largest sector of Vermont's manufacturing economy.

Paul noted that a large percentage of logs are leaving Vermont¹, and that the global economy presents a major challenge, and that Vermont needs to get the highest value possible for its timber products. Jeffords allocated \$1 million to support wood utilization, and that timber producers, manufacturers, furniture makers and others are working to build a Vermont brand in forest products. The Vermont Forest Products Council has developed a buyers guide to promote Vermont timber products.

Paul comments that when the group completed its work, it recognized the need to address policy issues affecting the forest products industry. Paul recognized the importance of the roundtable to address parcelization as an issue. The Forest Products Council's report is available at www.vtrural.org/files/vfpc_final_report.pdf.

Next Meeting

Jamey thanked everyone for coming, and announced that the next Roundtable meeting will be on October 18 in Randolph.

¹ Paul's estimate is that 45% of logs are leaving Vermont; Steve believes that the percentage is closer to 17%.