

Nisqually Community Forest Phase One Project Summary



May 2013

Nisqually Community Forest

Phase I Project Summary

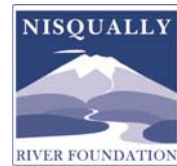
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Nisqually
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Northwest Natural
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Nisqually River
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Acknowledgments

Planning Team

Joe Kane	Executive Director, Nisqually Land Trust
Justin Hall	Executive Director, Nisqually River Foundation
Kirk Hanson	Director - Northwest Certified Forestry Northwest Natural Resource Group
Bryan Bowden	National Park Service - RTCA Program

Advisory Committee

Charles Kearns	AmeriCorps
Andrew Carey	Ashford Resident/Forestry Consultant/Professor Emeritus
Evan Smith	The Conservation Fund
Len Throop	Eatonville Outdoor
Owen Fairbank	Jefferson Land Trust
Chris Eades	Hancock Timber Resources Group
Judy Scavone	Mount Tahoma Trails Association
Pam Painter	Mount Rainier Visitors Association
Nicole Hill	Nisqually Land Trust
David Troutt	Nisqually River Council
Deborah Crosetto	Nisqually River Council Citizens Advisory Committee
Paul Crosetto	Nisqually River Council Citizens Advisory Committee
Jean Shaffer	Nisqually Valley Resident/Forestry Consultant
George Walter	Nisqually Indian Tribe
Ryan Mello	Pierce Conservation District
Diane Marcus-Jones	Pierce County Planning and Land Services
Paula Swedeen	Swedeen Consulting
Nick Bond	Town of Eatonville
Ann Welz	Trust for Public Land
Jack Thorne	U.S. Forest Service
Greg Ettl	University of Washington, Pack Forest
Sarah Scott	Upper Nisqually Community Forum
Mark Thibo	Washington Department of Natural Resources
Steve Pruitt	West Rainier Economic Development Initiative

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INTRODUCTION AND BACKGROUND

Project Background and History

The Nisqually Land Trust (NLT) was established in 1989 to acquire and manage critical lands to permanently protect the water, wildlife, natural areas, and scenic vistas of the Nisqually River watershed. To date the Land Trust has conserved and restored over 4,500 acres in the watershed. The NLT is governed by a Board of Directors and has eight paid staff, including an executive director, who manages the activities of the organization on behalf of the Board.

In 2008, the NLT became interested in the idea of community forests with the passage of the federal Farm Bill, which created the U.S. Forest Service’s Community Forest Program and provided for funding to support acquisition of forest lands by local communities. Simply defined, a community forest is a working commercial forest owned and managed to provide multiple benefits to the community local to the forest, including jobs, forest products, recreation, education, and environmental benefits such as clean water and protected wildlife habitat. Around the same time, several national conservation organizations (including the Trust for Public Land and the Conservation Fund) made community forests a mission priority and developed programs to support their creation at the local level.

Over the next two years the NLT engaged in a series of informal conversations with key Nisqually organizations about the potential for a “Nisqually Community Forest” that would benefit the people of the Nisqually River Watershed. These conversations revealed that the nature of private-forest ownership in the Nisqually watershed had changed dramatically over the preceding decade, making the creation of a community forest not only timely but also urgent.

In the past, large tracts of private forest lands in the Nisqually were owned long-term by forest-products companies that were regionally based. These lands were rarely available for purchase. Today, however, almost all of the private commercial timberlands in the Nisqually are owned and controlled by timber-investment-management organizations (TIMO’s) that are based on the East Coast, manage their timberland investments for underlying investors around the world, and buy and sell land far more rapidly than their predecessors.

While ownership of these lands has grown more globalized, they continue to have an enormous impact on local concerns such as forestry jobs, the health of rivers and wildlife habitat, and the scenic vistas that support the tourism and recreation economy, which is the largest economic engine in the forested regions of the watershed. A challenge Nisqually communities say they increasingly face is how best to integrate these local concerns with the realities of the global marketplace.

The goal of the Nisqually Community Forest Project is to address this challenge through market-based solutions. The TIMO pattern of rapid divestment – one seen nationwide – potentially offers a window of opportunity for local acquisition. This window will probably last no more than five to ten years, however. After that, increased fragmentation rates and land prices are likely to pose a higher bar for acquisition of the large land areas capable of supporting a community forest.

A potential core holding for a Nisqually Community Forest is already in place, in the form of the NLT's Mount Rainier Gateway Initiative, located near Ashford and the main entrance to Mount Rainier National Park. The Gateway Initiative currently includes approximately 2,500 acres of permanently protected wildlife habitat and creates a connected corridor of protected forest lands between public forests managed by the U.S. Forest Service and the Washington State Department of Natural Resources.

The Gateway Initiative has enjoyed widespread support from local stakeholders, private timberland owners, and county, state, tribal, and federal partners, who together helped raise \$10.6 million for these land acquisitions. This stakeholder network represents a natural foundation upon which to build a community forest in the Nisqually Watershed, which already has a reputation for cooperative conservation and innovative conservation strategies.

Application for National Park Service Planning Assistance

Based on all of the above, in 2010 the NLT determined it was time to grow the community-forest idea from a topic of informal conversation to one explored through a more structured framework. The Board directed its executive director to apply for a grant of planning assistance from the Rivers, Trails, and Conservation Assistance

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(RTCA) program of the National Park Service. RTCA provides non-financial grants of technical planning assistance to communities working on local conservation and recreation projects. Assisting local communities achieve their conservation and recreation goals is one way the National Park Service achieves its mission of extending the benefits of conservation and recreation to the nation and world.

The application submitted by the NLT requested RTCA planning assistance on a project to produce a conceptual business model for a Nisqually Community Forest in the Upper Nisqually Watershed. The community forest would be owned by a municipal entity, nonprofit organization, or other such group on behalf of the Nisqually Watershed community and managed to provide multiple and sustainable benefits, including forest products, recreation, education, ecologically sustainable jobs, and environmental benefits such as clean water and protected wildlife habitat. The forest would likely encompass 20,000 to 30,000 acres.

The Planning Process

The National Park Service awarded a grant of planning assistance to the NLT in the fall of 2010 and the project began in earnest in the winter of 2011. A small *planning team* was formed at the outset to serve as lead partners in the management of the project. This team consisted of representatives from the Nisqually Land Trust, the Nisqually River Council/Foundation, the Northwest Natural Resource Group, and the National Park Service.

The Planning Team first established a timeline for implementation of the project. During the timeline discussions the Team determined that the end product for this project would be a report documenting a structured exploration of a desired Nisqually Community Forest framework in consultation with an *advisory committee* of key stakeholder groups and organizations. The report would begin to define the forest - its mission, goals, and values; forest resources and products; opportunities for income; how to create an ownership entity and management authority and secure financing; and how to proceed to designing the forest and acquiring the lands necessary to build it.

An Advisory Committee was then formed. The Advisory Committee consisted of 26 representatives from key stakeholder groups, organizations and individuals with

specialized subject-matter expertise, who were asked to provide input and advice to the Planning Team during the planning process. The Planning Team was responsible for managing the process, planning and facilitating meetings, researching and drafting technical documents, and preparing the final report. The first meeting with the Advisory Committee occurred in June, 2011.

Key steps in the planning process included the following:

Stage 1 - Information Gathering and Analysis (June 2011 – September 2012)

The first stage consisted of developing, researching, analyzing, and processing information needed to complete the report. This was performed in consultation with the Advisory Committee for each of the following subjects: 1) Vision and Goals; 2) Forest Resources; 3) Forest Products and Opportunities for Income; 4) Ownership and Management; and 5) Next Steps.

Stage 2 - Public Meetings (November 2012)

The information gathered in Stage I was presented and discussed at public meetings held in two upper Nisqually watershed communities - one in Ashford and one in Eatonville. These meetings provided a public opportunity to review the information gathered and to discuss it one-on-one with members of the Planning Team and Advisory Committee.

Stage 3 – Final Report Preparation (November, 2012 – February 2013)

The final stage of the process was the preparation of the final report.

Public Outreach and Participation

A public involvement component was included in the project timeline to complement and parallel the planning process. It was accomplished in the following ways:

- An Advisory Committee consisting of representatives from key stakeholder groups, organizations and individuals with specialized subject-matter expertise was formed to guide and advise the Planning Team in the development of this report.
- A newsletter was developed and distributed at the beginning of the planning

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- process to inform people about the project.
- Two public meetings were held at the conclusion of the information gathering stage to present and discuss the results.

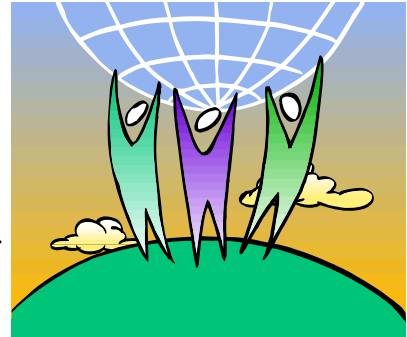


Ashford Public Meeting
Community Forest Presentation & Discussion

VISION, GOALS AND ACTIONS

Vision

The Nisqually Community Forest is an ecologically, economically, and socially sustainable forest managed for the benefit of the people of the Nisqually Watershed.



Goals and Actions

Goal One: *Create and sustain local living wage jobs throughout the entire forestry sector from management and harvest through primary and secondary manufacturing to end product sales.*

Actions:

1. Maintain a “working” forest that provides a range of forest products
2. Explore and exploit diverse revenue streams, such as:
 - Ecological-services markets
 - Certified and value-added forest products
 - Nisqually Community Forest “branding”
3. Explore opportunities for investment by the community

Goal Two: *Create ample opportunity for both active and passive forest recreation.*

Actions:

1. Provide public access for outdoor recreation
2. Provide healthy recreation opportunities

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***Goal Three:** Create a living laboratory/classroom to support the goals and objectives of school aged through adult educational programs..*

Actions:

1. Offer outdoor classroom opportunities for educational programs and functions
2. Partner with regional school districts and other educational institutions to develop programs and opportunities that meet their needs

***Goal Four:** Provide a full suite of environmental services including but not limited to carbon sequestration and water quality.*

Actions:

1. Generate clean air and cool, clean, and plentiful water
2. Realize social, environmental, and financial value across the Forest's full range of ecological services and increase that value over time.

***Goal Five:** Provide habitat for forest dependent species with an emphasis on threatened and endangered species.*

Actions:

1. Protect and enhance wildlife and habitat
2. Conserve and protect environmental attributes
3. Protect the forest
4. Manage for resilience in the face of climate change
5. Support and promote biodiversity
6. Complement the larger conservation goals of the Nisqually River Watershed

***Goal Six:** Design a management entity capable of creating and executing the policies and practices necessary for integrating economic success, environmental protection, and community interests.*

Actions:

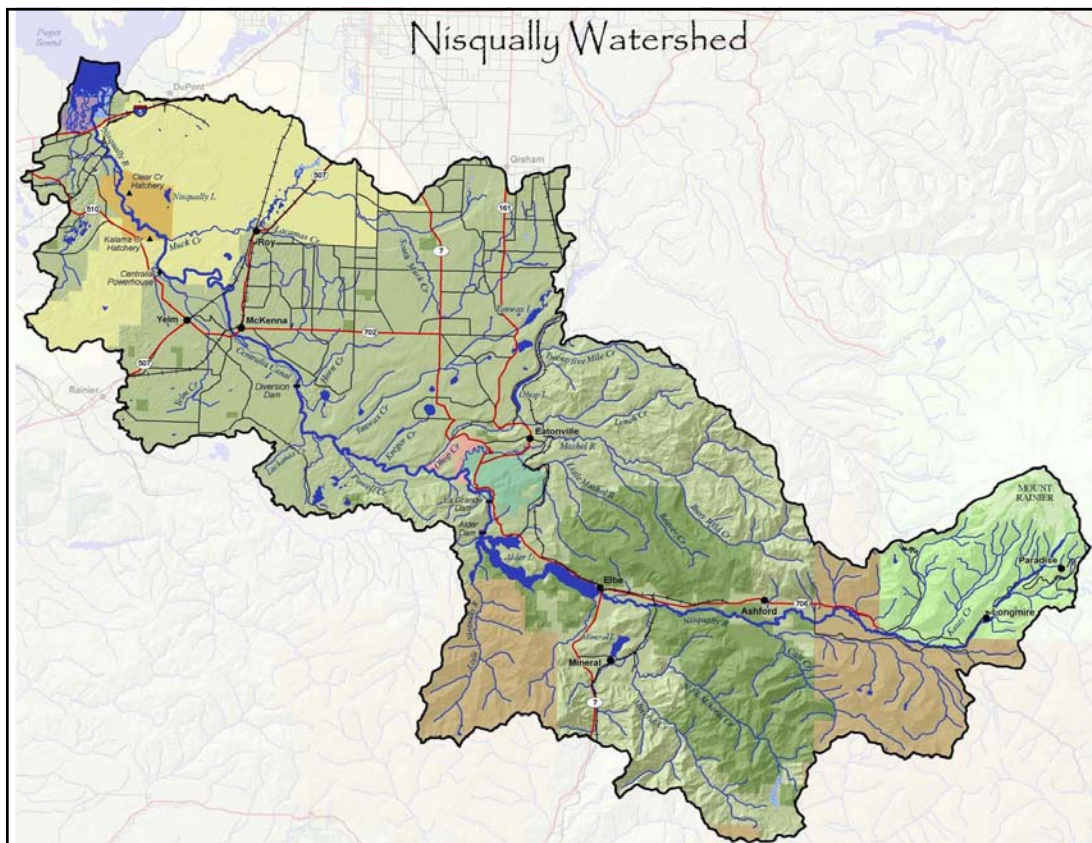
1. Balance development of the forest's economic resources with maintenance of conservation values and respect for community interests
2. Build accountability and transparency into the management system
3. Operate the forest according to sound financial principles and practices
4. Protect community assets (i.e., viewsheds, "sacred" sites, traditional practices)
5. Complement community plans
6. Include local stakeholders and community leaders in the management structure of the community forest

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FOREST RESOURCES

GENERAL OVERVIEW

The Nisqually Watershed encompasses all lands which drain to the Nisqually River in Pierce, Lewis, and Thurston counties and includes the communities of Ashford, Elbe, Mineral, Eatonville, McKenna, Roy, Yelm, Fort Lewis, and portions of Graham, Lacey, DuPont, and Rainier. Flowing 78 miles from its source at the Nisqually Glacier on Mount Rainier to its delta at the Nisqually National Wildlife Refuge, the Nisqually is a direct link between the summit snows of Mount Rainier and the marine waters of Puget Sound.



Climate

The climate of the area can be characterized as a marine climate dominated by cool, moist winds coming off the Pacific Ocean. Winters are wet and relatively mild and summers are dry and warm. Rain usually begins in earnest in mid-October and continues with few interruptions through the spring months. This pattern is caused by maritime low pressure disturbances originating in the Pacific Ocean and carried inland on winds ranging from the southeast to the southwest. Warmer and drier weather, associated with gradually lengthening high pressure systems, begins in June and continues through September. Winter temperatures are typically 40-50° in the day and 30-40° at night. Summer temperatures average 70-80° with nighttime lows of 50-65°.

Geology

Mount Rainier is a volcano built up above the surrounding Cascade mountain range by repeated eruptions and successive flows of lava. In geologic terms it is a relatively young volcano, only about one million years old. By contrast the mountains of the Cascade Range are at least 12 million years old and were created by the folding, buckling, and uplifting of the Earth's surface. The underlying geology of this area is made up of 25-40 million year old layers, including thick layers of lake deposits. Erosive forces of the Nisqually River and its tributaries, rushing down the steep slopes of Mount Rainier and the Cascade mountains, cut and shaped the hills and valleys of the upper Nisqually Basin (generally east of the Eatonville area).

The natural landscape of the lower Nisqually River Valley (generally from the confluence with Ohop Creek and west to Puget Sound) began to form at the end of the last ice age 13,000 years ago. As the Vashon ice sheet retreated toward Canada it left deep stream channels and glacial outwash plains behind, including the Ohop Valley. The terminal moraine of the Vashon glacier ended just south of the Nisqually River and formed the Bald Hills in Thurston County. As the river moves downstream, the topography flattens out. As it nears Puget Sound, the river loses energy and begins to meander as it deposits silt, thus forming the Nisqually River delta.

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Forests

Forest types in the watershed differ depending on geography. The higher elevation ridgelines and hilltops tend towards a conifer dominated forest consisting of Douglas fir and Hemlock. Drainages tend to produce larger, more pronounced timber due to the availability of water. Hardwoods including maple, alder and cottonwood are found in lowland valleys and river bottoms. Western red cedar grows primarily in wetter lowland areas.



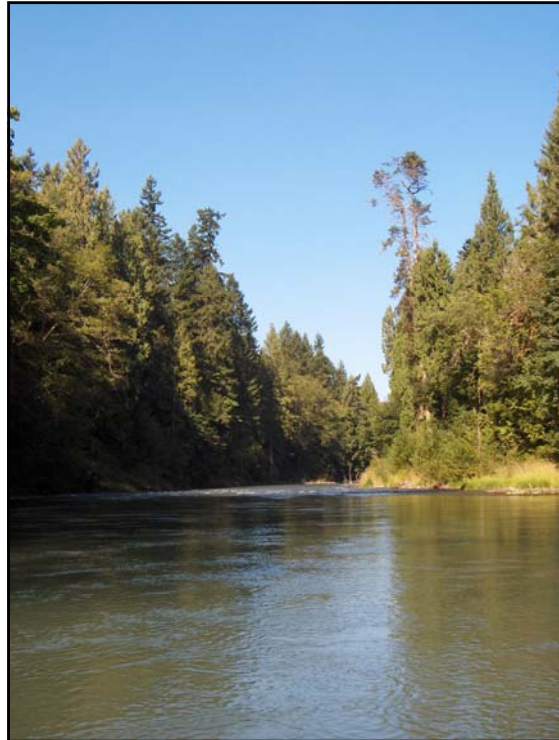
The upper Nisqually watershed encompasses approximately 460,000 acres and is where large tracts of actively managed forestlands are still intact. The lower regions of the watershed are more developed and much of the land base has been converted to non-forest uses. Actively managed forestlands in the upper watershed fall under three primary ownership types: public, including state and federal; private industrial; and private non-industrial.

Public forestlands are managed for a wide range of uses, including wilderness, recreation, wildlife habitat, and timber production. These forests are typically composed of a mix of species and age classes of timber. Private industrial timber companies own large tracts of land and utilize even-age plantation-based management strategies primarily for the production of timber products. Industrial timberlands also provide a broad range of public benefits including hunting, recreation, non-timber forest products and wildlife habitat. Non-industrial forestlands occur at lower elevations and are owned by a wide mix of owner types including families, tribes, small businesses and

land trusts. Depending on the owner, these lands are managed under a combination of even-aged and uneven-aged management strategies. These forests tend to host a wider range of species and age classes of timber and provide important habitat diversity for wildlife. All private forestland management throughout the watershed must adhere to the Washington State Forest Practices Act.

Water

The rivers and streams flowing off Mount Rainier are a significant feature linking Mount Rainier glaciers with the Puget Sound region. The Nisqually River is the major tributary to southern Puget Sound, providing fifty percent of the discharge flowing into the Sound below the Tacoma Narrows. Most tributaries to the Upper Nisqually River are typical mountain streams producing falls, cascades, and rapids with large rock or boulder stream bottoms. Most tributaries are surrounded with dense cover, usually deciduous trees and underbrush with some conifers.



Streams in the upper reaches of the watershed tend to be lower-order tributaries (i.e., non-fish bearing and seasonal). These streams are important for setting the “temperature signature” of downstream fish-bearing streams. Functioning lower-order tributaries provide cool water and help mitigate sediment delivery (water quality) to fish-bearing streams further downstream. The primary salmon-bearing streams in the Nisqually watershed are the mainstem Nisqually River, the Mashel River, and Ohop Creek.

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In the lower watershed the land flattens out and water velocity slows. The tributary streams tend to meander across the glacial outwash plains and sometimes lose flow to the underlying aquifer. Lower valley bottomlands are important areas for flood storage and filtering.

Water Quality

The mainstem Nisqually River, below the dams at Alder Lake, is relatively cool and well oxygenated. The river is clear much of the time except late summer and fall when glacial melt, laden with finely-ground rock flour, can cause high suspended solids and turbidity. This results in a milky green color.

However, the water-quality data that is available for the larger tributary streams to the mainstem Nisqually, in particular the Mashel River and Ohop Creek, shows significant problems related to high sedimentation, elevated water temperatures, and diminished water quantity – all contributing to the dramatic decline in threatened Chinook salmon and steelhead trout populations. For example, the Mashel River, the main tributary to the Nisqually, was once one of the major steelhead rivers in the Pacific Northwest, with annual spawning runs in the range of 5,000 fish. Today, fewer than 400 steelhead are found in the entire Nisqually system.

Habitat

A rich diversity and abundance of wildlife is present throughout the Nisqually Watershed. This is attributable to the availability of multiple and diverse types of habitat capable of supporting a variety of wildlife, including large and small mammals, birds, reptiles, amphibians, and invertebrates. Wildlife use different habitats for a variety of activities related to nesting, feeding, foraging, migrating, and cover. Numerous habitat types are found in the Nisqually Watershed, such as old-growth and mature forests, wetlands and seeps, snags, rocky slopes, open meadows and clear-cuts, cedar groves, caves, cliffs, and riparian areas.

Wildlife

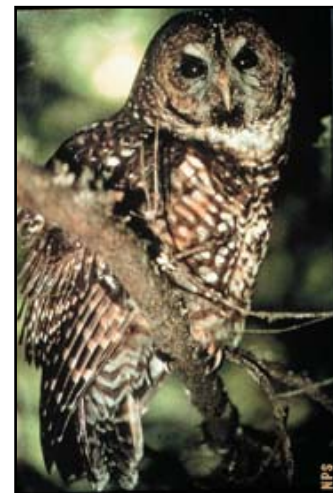
Elk, black bear, bobcat, mountain lion, red fox, and coyote are common large mammals that live in the watershed. Beavers, otters, and muskrats make their homes along streams and rivers. Many other animals, such as frogs, snakes, rabbits, black tail deer, shrews, voles, and ground squirrels live in and around wooded areas, meadows, pastures, wetlands, and riparian areas.



Large numbers of resident and migrating birds can also be found at various times of the year throughout the watershed. These include raptors such as bald eagles, hawks, owls, osprey and falcons; waterfowl such as geese, ducks, loons, and herons; songbirds such as warblers, finches, bluebirds, blackbirds, robins, thrushes, wrens, nuthatches and chickadees; and others such as jays, flickers, hummingbirds, ruffed grouse, swallows, and woodpeckers.

Rare, Threatened, and Endangered Wildlife

Some species are declining in numbers across the Pacific Northwest and receive special protection through federal or state laws. Examples of federally-listed threatened and endangered species that range within areas of the Nisqually Watershed include the marbled murrelet, northern spotted owl, Chinook salmon, and bull and steelhead trout, all of which are suffering from diminishment and loss of habitat. Gray wolf and grizzly bear likely ranged within this area in the past and may return with continued re-introduction efforts. Examples of state-listed species found in the watershed include bald eagle, fisher, cascade fox, pocket gopher, western gray squirrel, golden eagle, peregrine falcon, northern goshawk, and pileated woodpecker.



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Scenery

The Nisqually Watershed is a place of majesty and grandeur. The Upper Nisqually valley floor is dwarfed by magnificent views of the Cascade Mountains and Mount Rainier. Some areas are tightly contained within dense forest and views are restricted; other areas open up to beautiful pastoral views of meadows, agricultural operations, forested mountainsides, and Puget Sound. At a number of locations along highways within the watershed, there are spectacular views to Mount Rainier. Wildlife is abundant and climate conditions keep vegetation green all year long.



CULTURAL RESOURCES

Native Americans

A variety of Native American groups inhabited and utilized regional areas around Mount Rainier for thousands of years. Within the Puget Sound region, their territories were often associated with river drainages and watersheds, some of which originated on the flanks of Mount Rainier, which was and continues to be the spiritual center for many of these tribes.

The Nisqually people were the primary group that occupied the Nisqually watershed and had several permanent villages along the river. The Nisqually Indians tended horses and relied on naturally open meadows for grazing, food gathering, and hunting. Salmon and elk were primary sources of food. Other tribes, from both the east and west sides of the Cascades, also used the region for hunting and trading.



Chief Leschi
1808-1858

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Early immigrant settlers began arriving in the Puget Sound region in the mid-1800's and were generally welcomed into Indian communities. These early settlers were dependent on Indians for food, transportation, and labor, which contributed to cross-cultural cooperation and integration. A significant feature of this 'bridge' culture was the emergence of the Chinook Jargon, a limited trade language that facilitated expanded communication between Indians, settlers, and among Indians of different groups.

Nothing changed the lives of Pacific Northwest Native American Indians as significantly as immigration. By 1855 three treaties had been negotiated covering lands surrounding Puget Sound guaranteeing tribes reservation lands and assurance they could hunt and fish in their usual and accustomed places. Most Indians, however, did not move to reservations until the 1880's when immigration increased exponentially. Until then settlers were few, government was weak, reservations held few attractions, and settlers needed Indian skills and friendship.

European Settlement

In the latter half of the 1890's through the early 20th century, the Klondike gold rush in Alaska created a boom in the Seattle area as a center for outfitting and supplying prospectors on their way to the mines. Coal deposits were discovered in several areas around Mount Rainier and mines were developed in the Ashford and Mineral areas of the Upper Nisqually Valley. Coal mining declined in the 1920's when hydropower generated electricity and oil replaced coal as an energy resource.

German immigrants and homesteaders settled at the Elbe town site in the late 1800's and a plat for the town of Elbe was filed in 1903. In the early days Elbe functioned as a market center where loggers, Native Americans, and farmers came to exchange goods and produce. Elbe was also a stopover for visitors traveling to the newly created Mount Rainier National Park. The first logging and milling operation in Elbe started in the early 1900's and the Tacoma Eastern Railroad reached Elbe from the Port of Tacoma in the summer of 1904.

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Ashford was platted in 1904. Tourism and coal mining prospects initially attracted settlers to Ashford, but logging and milling soon became the economic focus. The Tacoma Eastern Railroad extended its line from Elbe to Ashford in late 1904 and the town became an important log shipping center until the early 1940's. The logging industry has been in decline since the late 1970's and the town's economy has become increasingly dependent upon recreation and tourism.

The town of National was established in 1905 about one mile west of Ashford by the Pacific National Lumber Company. National was a company owned town that rented housing to its employees and operated its own general store. At its peak National was once one of the largest timber mill operations in the country west of the Mississippi, yet there is little left today to indicate a town was once there. Sawmill operations were ceased in 1944. The company holdings were sold and eventually bought by the Weyerhaeuser Company in the 1950's. Homes were gradually bought and moved off site. Today the Washington State Department of Natural Resources owns the land that was once the town of National.



Benson Timber Photo

Alder Dam was completed in 1944 to supply electric power to the City of Tacoma, aluminum plants from World War II, Boeing aircraft production, and ship yards. The resulting Alder Lake reservoir covered more than 200 acres of farm land including the original town of Alder which was relocated to its present location.

Today, state highway 7/706 is the primary gateway corridor to Mount Rainier National Park where approximately one million visitors a year enter and/or exit the park via the Nisqually Entrance. The Nisqually Land Trust has been working to acquire and manage critical lands to permanently protect the water, wildlife, natural areas, and scenic vistas along this corridor for current and future generations. Called the 'Mount Rainier Gateway Initiative' the land trust to date has conserved and restored over 3,800 acres in this corridor.

FOREST PRODUCTS/OPPORTUNITIES FOR INCOME

Part I. Forest Products and Ecosystem Services

The commercial production capacity of a forest can be organized into three basic categories: timber products, non-timber products and ecosystem services. Managing forests for biological diversity can translate to diverse economic opportunities and options for creating multiple revenue streams. Not all products listed below may represent an immediate economic opportunity. Some may require careful market development; others may simply provide value to members of the surrounding community who have traditionally relied on harvesting diverse products from the forest. The following document summarizes, in very general terms, these three categories of products and services.

TIMBER PRODUCTS

The following timber species represent the most common species likely to be found and/or managed for within the target area for the Nisqually Community Forest. As a management philosophy, managing for a mix of species can translate to both economic and ecological resiliency. Including a mix of timber species in a management portfolio allows a forest owner to spread his investment out across a range of markets. Species diversity also provides a hedge against natural disturbances, in particular disease and pest infestations.



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Douglas-Fir

Douglas-fir historically has been the king of the timber species. Doug-fir is the most plentiful and versatile of Northwest species. The wood has strong contrast between reddish heartwood and pale sapwood and has excellent strength and stability. Applications include timbers and framing, interior finishes, furniture, industrial lumber - just about anything. Quarter-sawn clear lumber is highly prized for interior trim.



Douglas Fir

Douglas-fir logs are often sorted into one of the following five general grades:

Export Grade – These are the highest quality logs. They are graded ‘export’ because they sell at a premium price to overseas markets. Chinese and Japanese merchants buy many of these logs and they are often shipped in cargo containers. Most Douglas-fir grown in privately owned timber plantations is produced targeting these valuable overseas markets. This is good business for private timber companies and their investors, but can be bad for local mills and local economies as the timber is not manufactured locally. Domestic saw mills often struggle to compete pricewise for export logs because they would have to buy the raw logs at high prices, yet sell the manufactured lumber into a deflated domestic marketplace.

Veneer Grade – Veneer grade logs are sliced or peeled and used to produce plywood. Prices tend to be fairly competitive with export markets and/or higher value domestic saw log markets.

Saw Grade – Logs sold to domestic mills to produce conventional structural lumber which is used for framing, posts, beams, etc.

Chip and Saw Grade – The outside of the log is chipped to create a square cant. The cant is then re-sawn to produce conventional structural lumber and the chips are sold to pulp or hog fuel markets. Hog fuel is used to produce heat and/or steam power.

Many mills use hog fuel to produce power to run their kilns and then sell excess power back to the power grid.

Pulp Log – This is the lowest value product. Tree tops and/or log sections of poor quality (i.e., cannot be sawn to lumber) are sold to pulp markets.

Hemlock and Grand-Fir

Hemlock and Grand-fir produce a uniformly light-colored and soft wood used primarily for light framing, pressure treated lumber and moldings. The species are especially prevalent in coastal zones and as a later emerging species in mature forests. Hemlock and Grand-fir are of high value to both domestic and international markets. Hemlock is graded and sold similar to Douglas-fir (described above). Both Hemlock and Grand-fir are used to create pressure treated outdoor wood. Both have a porous fiber that readily soaks up the chemicals used to manufacture pressure treated wood.



Hemlock



Western Red Cedar

Western Red Cedar

Western red cedar is renowned for its rot resistant properties and superior stability and is suitable for a wide variety of exterior uses (i.e., siding, decking, soffits, gazebos, fences, etc.). The species is capable of withstanding decades of exposure, but is not recommended for ground contact. White sapwood contrasts dramatically with the reddish, oil rich heartwood, which weathers to a lustrous silver if minimally treated.

NISQUALLY COMMUNITY FOREST PHASE I PROJECT SUMMARY

Red Alder

Alder is king of the hardwoods for its value. It is the only northwest hardwood with significant commercial value that is commonly sold into commodity markets. In the past 20 years, alder has gone from a 'junk' tree to one of the most sought after Northwest species. It has good stability and workability and is used in a broad range of interior finishes and consumer items. Kiln-



Red Alder

dried lumber is a uniform amber color while air dried can vary from pale white through a range of reds and browns. The highest log sort for alder is *veneer grade*. Veneer-grade alder is usually sold and shipped overseas or to east coast markets where it is used to make veneer for plywood. Veneer grade alder can be as much as 2 to 3 times more valuable than saw log grade. *Saw Grade* alder is sold to local markets and used to produce furniture, cabinets, trim, molding, and flooring. *Pulp Sort* alder is sold to pulp and hog fuel markets.



Big Leaf Maple

Big Leaf Maple

Big leaf maple is an abundant, uniformly white hardwood found in wetter Northwest habitats. While not as hard as some of its eastern cousins, western big leaf maple performs well in a wide variety of interior finishes including trim, flooring, furniture and consumer items. Figured wood is highly prized and used in instruments and fine furniture. Although large commercial hardwood mills purchase big leaf maple, prices tend to be so low as to hardly make it viable to remove from the forest. More commonly, maple sells to small mills, craftsmen and small scale wood manufacturers. *Figured Grade* maple is the highest value sort and is used in the manufacture of musical instruments, high end furniture and plywood. *Saw Grade* maple is used to produce flooring, furniture, trim and molding. *Pulp Grade* maple is sold to pulp and hog fuel markets.

***Madrona, Cherry, Oregon Ash and
Cascara***

These hardwoods are considered minor niche market species that sell to small mills, craftsmen and small scale wood manufacturers. They are used in the production of furniture, crafts, cabinets, and flooring.



Oregon Ash

NON-TIMBER FOREST PRODUCTS

Non-timber forest products encompass a wide range of other products that can be harvested and sold from a forest beyond just the trees. Typically these products are derived from plants that grow in the understory of the forest. Many of these products are very abundant and/or can be harvested in a sustainable manner that allows for their perpetual re-growth in the forest. The following categories summarize the most common non-timber forest products:

Floral Greens

Floral greens are sold to commercial flower shops and other private groups and organizations for use in flower arrangements, wreaths, swags, and garlands. These include salal, sword fern, Oregon grape, evergreen huckleberry, cattails, reeds, rushes, and evergreen boughs. Typically these products are harvested in large volumes by “brush pickers” and sold to large “brush sheds” that in turn wholesale the product to retailers around the world.



Oregon Grape

Medicinals

Many native plants have medicinal values and have been used by Native Americans for centuries. More recently, with the growing interest in alternatives to pharmaceuticals, consumer demand is increasing for plant-based medicines. Many plants can be used in

NISQUALLY COMMUNITY FOREST PHASE I PROJECT SUMMARY

their raw form to make tea. Other plants are better used if processed into tinctures, essential oils or other products. Markets for native medicinal plants range from large “nutraceutical” companies that purchase in bulk, to local crafters who process the material into value-added products for local sale. Examples of native medicinal plants include: willow, cascara, stinging nettles, Oregon grape, lichen (Usnea), Devil’s club, and many more.



Edible Products

All forests in the northwest contain a wide variety of edible plants that can be harvested and sold. Edible plants can include those that produce berries, nuts, roots, stems or leaves. Other common edibles include mushrooms and fern “fiddle heads”. Edibles can be sold in raw form or processed into value-added products such as jams, teas, etc. Markets include farmer’s markets, grocery stores, and restaurants.

Craft Products

Many forest products can be harvested and sold for use in craft projects. These include items such as: moss, reeds, cattails, small diameter woods (cherry, madrona, and willow), etc.



Cattails

ECOSYSTEM SERVICES

Human life benefits from a diversity of resources and processes that are supplied by natural ecosystems. Collectively, these benefits are known as *Ecosystem Services* and include *products* like clean air and drinking water and *processes* such as water filtering and carbon sequestration. Resource demands on the Earth’s ecosystems are compounded as the world population continues to grow.

Natural resources are not invulnerable or infinitely available and the environmental impacts from human activities are becoming more and more apparent. Air and water quality are increasingly compromised; oceans are being overfished; and deforestation is releasing silt to rivers and exacerbating downstream flooding. Society is becoming increasingly aware of the need to better consider long-term ecosystem health and its role in supporting human habitation and sustainable economies. To help inform decision-makers, many economists, environmentalists, and scientists are collaborating to assign economic values to specific ecosystem services.



Ecosystem Services Poster
Produced by the Ecological Society of America and
the Union of Concerned Scientists

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Scientists group ecosystem services into four broad categories:

1. Provisioning services:

- food
- water
- minerals
- pharmaceuticals, biochemicals, and industrial products
- energy (hydropower, biomass fuels)

2. Regulating services:

- carbon sequestration and climate regulation
- waste decomposition and detoxification
- purification of water and air
- crop pollination
- pest and disease control

3. Supporting services:

- nutrient dispersal and cycling
- seed dispersal
- primary production

4. Cultural services:

- cultural, intellectual and spiritual inspiration
- recreational experiences (including ecotourism)
- scientific discovery

The best opportunities for marketing and selling ecosystem services in a Nisqually Community Forest would likely be in carbon sequestration and clean water. Carbon sequestration is the long-term storage of carbon dioxide or other forms of carbon to mitigate or defer global warming and climate change. Forests naturally store carbon and slowly release it back to the environment. Forests also retain and naturally filter impurities out of water.

Other ecosystem services that could be marketed and sold include:

- wildlife habitat
- flood storage/mitigation
- viewshed protection
- recreation
- eco-tourism

SUMMARY

If you maintain and manage a diverse forest you have a more diverse range of products and services to sell. Diversity offers multiple economic opportunities but does not necessarily translate to readily available markets. Community forest managers will have to engage in the development and operation of local niche markets to sell their products.

Part II. Opportunities for Income

Acquiring a large tract of biologically mature forest is highly unlikely due to the extraordinary cost associated with purchasing merchantable-age timber, and this issue must be considered in evaluating opportunities for income. It is more likely that the forest initially acquired will be, on average, less than a merchantable age (e.g. 1 – 30-year-old timber). This means that the first years of operation may yield minimal revenue from timber sales while simultaneously requiring high operating costs while managers work to achieve a mature forest capable of supporting sustained annual timber yields. It will likely be necessary to generate revenue from other uses of the forest (e.g. recreation, brush harvesting, etc.) during this time to support annual operating costs.

Timber Sales

The best opportunity for significant revenue generation is from timber sales. In order to describe and quantify this opportunity the following general assumptions were determined:

**NISQUALLY COMMUNITY FOREST
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1. Any commercial-age timber stands will likely be young (~ 30 years old) and in need of their first commercial thinning.
2. Typical timber sales from a first-entry thinning of a young plantation average 20% export or domestic veneer grade logs, 60% domestic chip and saw grade, and 20% pulp grade. Current prices for these markets are approximately \$600/mbf for export, \$450/mbf for domestic, and \$250/mbf for pulp.
3. A biologically mature forest in the Northwest (50 years and older) can yield approximately 500 board feet per acre per year. A “sustained” yield would be to harvest somewhat less per year than 500 board feet per acre.
4. The current market for softwood logs is an average of \$450/mbf (as of January 2012). (This assumes an average value between pulp, domestic, and export markets)
5. On a 20,000-acre forest approximately 5,000 acres will be set aside and not be available for timber-sale production due to regulatory requirements of the Forest Practices Act.

Based on these assumptions, following are three estimates (conservative, moderate, and optimistic) for annual timber-sale revenue from a biologically mature forest with a net harvestable acres of 15,000 acres. These numbers reflect gross revenue and do not account for any operational costs (e.g. logging, trucking, road building/maintenance, timber sale management, etc.).

Conservative Yield (100 board ft per acre per yr)	Moderate Yield (200 board ft per acre per yr)	Optimistic Yield (250 board ft per acre per yr)
Every ten acres would gross \$450 per year (\$45 per acre)	Every five acres would gross \$450 per year (\$90 per acre)	Every four acres would gross \$450 per year (\$112.50 per acre)
15,000 acres x \$45 per acre = \$675,000 per year	15,000 acres x \$90 per acre = \$1,350,000 per year	15,000 acres x \$112.50 per acre = \$1,687,500 per year

Principle of Resource Reinvestment

There will be concern and debate about the amount and intensity of logging that will occur on the community forest, as well as the markets into which logs are sold. In order to optimize revenue, forest managers could choose to harvest at a rate close to the sustained annual yield potential of the forest (i.e., optimistic yield listed above). Additionally, logs could be sold to the highest value markets, such as export, even if this means reducing supply to local mills. Conversely, harvesting could be conducted at a rate lower than the sustained annual yield potential of the forest in order to optimize other benefits (e.g., eco-system services, biological maturity and recreation) and/or they could chose to sell logs for less than full value to local markets in support of local milling and manufacturing jobs.

A principle to consider in this discussion is the idea of “Resource Reinvestment.” This principle states that the proceeds gained from the harvesting and sale of a natural resource can then be utilized to reinvest in something of benefit to the public. Timber sales represent the most reliable opportunity for generating revenue from a community forest, and the proceeds from this

activity should be used to support forest management and operations and for other community forest functions such as public recreation, wildlife habitat enhancement, etc. A balance will need to be struck between the following two objectives:



1. Support the creation of local milling and manufacturing jobs - supplying logs to local mills results in minimal revenue return to invest in other community benefits;
2. Optimize revenue through export log sales – results in maximum profits which can be reinvested in other community benefits

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Sawmill Cooperative

Currently there are no commercial sawmills operating in the Nisqually watershed. The only alternative for locally manufactured lumber are from small-scale, portable mills. Portable mills are typically used when cutting logs to produce lumber for specific projects, such as board-and-batten siding, fence boards, post and beam timbers, etc. They are not used to produce high volumes of commodity grade lumber (e.g. dimensional lumber).

A potential economic development opportunity for wood products from a community forest is to network several small-scale portable mills together into a ‘cooperative’ that is capable of producing a range of value-added products. Further, lumber products produced from the Community Forest could be labeled as “locally grown” within the Nisqually watershed and/or “green” certified sustainably grown. These products could be sold at a higher retail price than similar products from commercial saw mills.



Portable sawmill with covered roof.

Specialty Products and Niche Markets

The next best opportunity for revenue generation is to manage the forest to optimize the use of all timber product resources within the forest – not just conventional timber sale production. There is a lot of potential to harvest specialty grade species for sale to niche markets such as figured maple, veneer alder, spaulted logs, and craft woods. Savvy forest managers can work to maximize the profits from these market margins.

Specialty product markets tend to be more valuable than conventional markets because they are limited and in short supply. However, it takes a lot of coordination, communication, and specialized training to supply specialty product markets and most large private timber companies don't invest the time and resources to this purpose. Forest managers and local mill operators have to be specially trained and tuned-in to: 1) recognize when these markets are present; 2) sort logs for conventional or specialized markets; and 3) mill specialty wood products that will sell.

Three components need to be present for a specialty market to function. They are:

1. Trained forest managers that recognize potential markets from raw forest products
2. Trained wood processor/mill operators knowledgeable in how to mill particular pieces of wood for specialized purposes
3. Buyers

Specialty woods are valued for:

- Crafts (particularly maple used in the manufacture of musical instruments);
- Flooring (maple);
- Furniture (maple and alder);
- Outdoor Wood (cedar for fences, decks, etc.); and
- Utility Poles (red cedar).



Handmade curly maple & cedar violin

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Alder is the highest value specialty hardwood and is used in the manufacture of cabinets and furniture. Maple is also used for furniture, but its highest value is in the production of musical instruments. Typically less than 10% of all maple is of a high enough quality to use in musical instrument construction and it takes a trained eye when milling maple to recognize what to mill for this purpose and what to mill for furniture.

Long, straight red cedar (suitable for utility poles) is the most valuable specialty softwood (currently selling for about \$1,500 per thousand). Comparatively, conventional saw log cedar currently sells for around \$1,000 per thousand.



Cedar Utility Pole

Floral Greens

The sale of floral greens (typically evergreen boughs, salal, bear grass and huckleberry) is the most profitable non-timber forest product. An active floral industry exists that purchases these products from commercial forests. This is usually done by: 1) contract (per ton basis); or 2) land lease. Land leases average around \$5 per acre per year. Leased lands for this purpose can be marginal areas with less value for timber production.



Bridesmaids bouquet with bear grass.

Manufacturing

The community forest could venture into manufacturing wood products for sale. This could include certified and/or locally branded wood products from the Nisqually watershed, as well as other products such as rough sawn board and batten, fence posts and boards, oversize boards and beams, paneling, flooring, and trim. This could be gradually implemented in four stages:

Phase One: Hire existing small-scale sawmill operators to mill logs into sellable product and implement a sawmill cooperative

Phase Two: Construct a small sawmill and drying shed (kiln) and mill logs at a fixed site

Phase Three: Add additional equipment such as an edger and molder to produce products such as paneling, trim and flooring

Phase Four: Continue to grow operation to a larger scale commercial saw mill



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Revenue model (assuming community forest owns its own mill):

A small milling operation can add significant value to logs while creating additional opportunities for good paying local jobs in the lumber manufacturing industry.

Manufactured lumber products can sell for an average of \$3/board foot. By way of comparison, this translates to \$3,000/mbf for manufactured wood products vs. \$450/mbf if raw logs are simply sold on the open market. This value assumes some minimally processed lumber products (e.g. rough sawn board & batten) will be sold for a lower value (e.g. \$0.90/bf) and some finished lumber products (e.g. flooring) will be sold for a higher value (e.g. \$5/bf).

A small milling operation can reasonably produce 100 mbf (100,000 board feet) of manufactured lumber per year. Based on this assumption, following is a revenue estimate for value-added manufacturing:

\$300,000 – **Gross Revenue** (\$3,000 x 100 mbf manufactured wood)

Expenses:

\$ 50,000 – Stumpage (\$500 x 100 mbf)

\$ 40,000 – Logging & log transport (\$400 x 100 mbf)

\$ 35,000 – Primary milling (\$350 x 100 mbf)

\$ 40,000 – Facility lease/mortgage (\$400 x 100 mbf)

\$ 35,000 – Secondary processing (\$350 x 100 mbf)

\$ 30,000 – Sales and marketing (\$300 x 100 mbf)

\$230,000 – Total Expenses

\$300,000 – Gross Revenue

\$230,000 – Less Expenses

\$ 70,000 – **Net Revenue**

Ecosystem Services

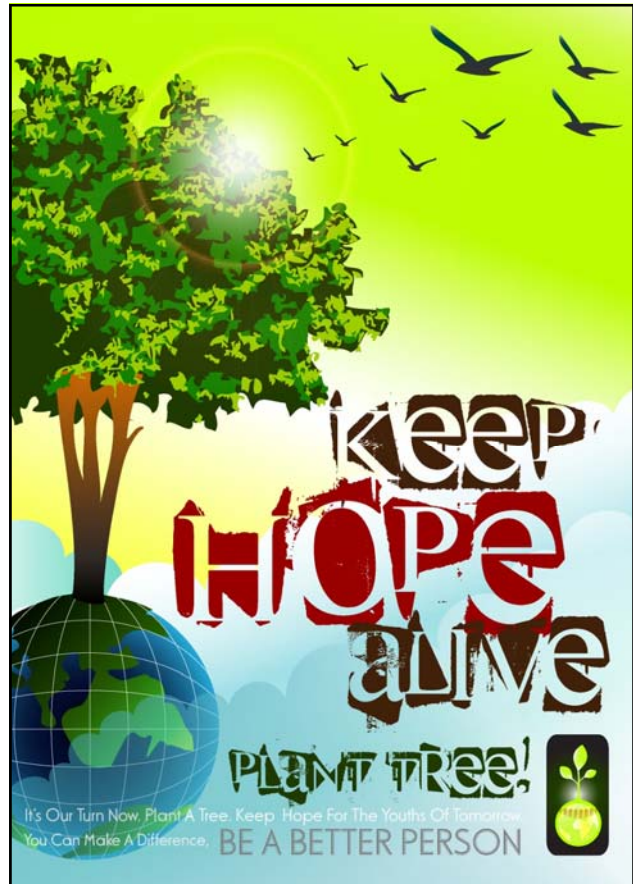
Society is becoming increasingly aware of the need to better consider long-term ecosystem health and its role in supporting human habitation and sustainable economies. Many economists, environmentalists, and scientists are collaborating to assign economic values to specific ecosystem services and are working to develop markets to sell these services to willing buyers such as government municipalities, developers, and non-profit organizations.

The two markets with the most promise in this emerging area are the sale of carbon offsets to defer global warming and the protection of land and aquifers for drinking water and flood storage. Washington State has recently authorized programs such as ‘Transfer of Development Rights’ to help implement these types of programs.

Christmas Tree Sales

Starting a Christmas tree farm enterprise is a long-term commitment because the trees can easily take six to ten years to reach maturity. During this time there will be no revenue while incurring operating costs for activities such as clearing, planning, pruning, sales, and accounting.

Additional revenue from a Christmas tree farm could be generated by providing complimentary services such as offering hay rides, a concession stand or other services.



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Some tree farms have large rooms or buildings that can be rented out for parties at other times of the year. This helps bring in additional income throughout the year.

Revenue model for Christmas tree sales:

1. Convert 10 acres to Christmas trees @ 1,200 trees/acre
2. Manage each acre on a 7 – 8 year rotation
3. Sell 300 trees per weekend for four weekends from Thanksgiving to Christmas @ \$25/tree (1,200 trees): \$30,000 gross revenue

Recreation and Commercial Use

The community forest could sell recreation permits allowing people to access and utilize the forest for a variety of recreational pursuits such as hunting, fishing, camping, horseback riding, mountain biking, snow-shoeing, cross-country skiing, etc. The community forest could also sell commercial use permits to allow for commercial uses of the forest such as guided activities, classes and workshops, filming, etc.

Revenue model for recreation and commercial use:

1. \$10 annual permit
2. 2,000 annual users
3. \$20,000 gross revenue

Firewood

The Community Forest could sell firewood cutting permits for people wishing to cut their own firewood or it could cut and sell firewood to local buyers. This is a good opportunity to optimize the value of non-merchantable logs and log components left over after a commercial harvest. Additionally, non-merchantable logs resulting from “pre-commercial” thinning could be utilized as firewood.

Revenue model for firewood sales:

1. Assume 500 cords of firewood/year

2. \$50/cord fee
3. \$25,000/year

Other revenue ideas

The following represent additional revenue opportunities that could be explored:

- Gravel pit
- Cell towers



The community forest could include public recreation access for activities such as hiking, mountain biking and horseback riding.

OWNERSHIP AND MANAGEMENT

It is difficult to predict exactly how the Nisqually Community Forest will eventually be acquired, owned and managed. As this project moves forward (from planning to implementation), decisions will have to be made based on unforeseen opportunities and/or circumstances. Following are conceptual description assessments of several forest ownership and/or management alternatives that are intended to represent a legitimate range of possibilities for consideration in this study. These alternatives, including the preferred alternative, are presented conceptually for discussion purposes, but it should be understood that the eventual ownership and management of the Nisqually Community Forest could be a hybrid that isn't specifically described below.

CONCEPTUAL ALTERNATIVES

Nisqually Land Trust (NLT)

Description:

The NLT would create a subsidiary nonprofit organization that would acquire and own the land utilizing a combination of grant funds, loans, gifts, and/or donations of land. The subsidiary would manage the community forest and hire staff (e.g., Director of Community Forest). The subsidiary would be governed by its own board of directors, which would include community stakeholders. The board would oversee all aspects of planning and managing the forest. Management activities on the forest would be contracted out or conducted with qualified volunteers (e.g., cutting, thinning, cruising, trail maintenance, etc.). Revenues generated from the community-forest operation would be used to pay back loans and cover community-forest and NLT operating expenses. Additional revenue would be re-invested in the community forest per direction provided by the community-forest board.

Pros:

- History in watershed
- Good reputation
- Contacts & relationships

- Established organization
- Mission alignment
- Experience with core functions (community outreach, land acquisition and management)
- Proven model (existing examples of other land trusts managing community forests)
- Easier initial startup (difference between inertia and momentum)
- Eligible for broad array of public and private funding – grants, loans, etc.

Cons:

- Complicates NLT mission and structure
- Appearance of conflicts of interest (real or perceived)
- Scattered focus; mission creep
- Strain on NLT resources

State Department of Natural Resources (DNR)

Description:

DNR would acquire, own, and manage the community forest under the provisions of the Community Forest Trust Act passed by the Washington State legislature on April 29, 2011. The Act authorizes DNR to acquire forest lands from willing sellers of private land or existing state trust lands that are at high risk of development and that have significant community value. The lands are then managed as working forests per the goals and objectives established in a written management plan developed in partnership between the local community and DNR. Management activities on the forest would be carried out by DNR staff or through contract. Community forest trust lands must produce enough revenue to cover DNR management costs. Additional revenue beyond that would be re-invested in the community forest by DNR as provided for in the written management plan.

Pros:

- Availability and access to money and resources
- Forest management experience (extensive)
- Potential for state money

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- Lower acquisition costs

Cons:

- Geographic restrictions (priority areas specified in legislation)
- Slow decision process
- Potential for management style to usurp local decision making
- DNR ultimately decides
- Indirect ownership (state owns the forest land)
- Higher cost of operation
- Risk of loss of land acquired with funds raised by community

New Non-Profit Organization

Description:

A completely new non-profit organization would be created for the exclusive purpose of acquiring land and managing the community forest. The new organization would acquire and own the land utilizing a combination of grant funds, loans, gifts, and/or donations of land. The non-profit would be governed by a Board of Directors (as provided in the Articles of Incorporation establishing the non-profit). Possible staffing scenarios consist of the following: 1) Full time Executive Director and a full time Forest Manager; 2) Full time Executive Director only; 3) no paid staff (all forestry work contracted out under the direction of the Board). Revenues generated from the community forest operation would be used to pay back loans and cover non-profit operating expenses. Additional revenue would be re-invested in the community forest per direction provided by the Board of Directors.

Pros:

- Build organization around mission; precisely tailored to what people want it to be
- Nimble
- Good structure for fund raising
- Independent
- Could include representation from all stakeholders
- Dedicated people committed to the cause

Cons:

- Longer start-up time
- Need to build network and credibility
- Need land acquisition expertise
- Need funding credibility
- Yet another Nisqually non-profit; potential mission conflict with existing orgs
- Overcoming inertia – how to prime the pump

Town of Eatonville – New Market Tax Credits

Description:

This alternative is intended to describe an alternative maximizing the New Markets Tax Credit (NMTC) program established by Congress in December 2000. NMTC give individual and corporate taxpayers the opportunity to receive a credit against income taxes by investing in qualified investment entities located in low income and rural areas (as determined by census tracts).

The Town of Eatonville is located in a qualifying zone and is eligible for low-interest NMTC fund investments to acquire and set up the community forest. This would require commitment from the Town of Eatonville and an investor (typically a bank). These investments are repaid, with interest, resulting in a dividend to the investor.

Eatonville would be required to set up a private “instrumentality” (separate from Town government) to receive NMTC funds for forest acquisition. The instrumentality would be governed by its own board and would manage the forest lands for seven years. Membership on the board would likely include one or more members of the Town council. After seven years there would be an option of putting the forest under the Town’s control. That option would be up to the Board.

Pros:

- Model represents the ideal of community-forest thinking (i.e., forested watershed benefitting local community)

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- Town ability to subsidize operation
- Geographic proximity to likely forest location

Cons:

- Need to sequester funds from other uses
- Political uncertainty
- Changing administrations
- High operating costs
- General distrust of government

Municipal Community Forest District

Description:

This model describes a scenario in which a special purpose “Community Forest District” would be created to acquire and manage the community forest lands. Special-purpose districts are independent governmental units that exist separately from, and with substantial administrative and fiscal independence from, general purpose local governments. They serve limited areas and have governing boards that accomplish legislatively assigned functions using public funds. Special districts provide specialized services to persons living within the designated geographic area and may contract to provide services outside the area. Special districts often cross the lines of towns, villages and hamlets but less frequently cross city or county lines. Each district is governed by a board of directors, commissioners, board of supervisors or the like. These boards may be appointed by public officials, appointed by private entities, popularly elected, or elected by benefited citizens (typically property owners). The board of a special district serves primarily as a managing board and often appoints a chief executive for day-to-day operations and decision making and policy implementation.

Pros:

- Tied directly to community forest
- Dedicated to a single purpose

Cons:

- Would require action by state legislature
- Availability of public funding unlikely in current political climate

Private Land-Ownership Cooperative

Description:

In this alternative private forest owners would own and manage their own land, but they would join together in a “cooperative” model to create and operate a community forest. The co-op would be managed by a board of directors elected by all the landowners in the cooperative. The co-op would develop a community forest management plan by which each member would agree to manage their individual forest land. All profits and/or losses would accrue to the individual landowner.

Pros:

- Appealing to private forest owners who want to retain personal ownership
- Could bequeath ownership in will
- Decreased acquisition costs
- Responds to the need of aging demographic looking for options – what to do with the land?

Cons:

- Aging landowners
- Complex management
- Scattered land ownership leads to increased cost of operations
- Limited examples elsewhere in the country

Timber Investment Management Organization (TIMO)

Description:

This alternative would set up a “Nisqually Forest Management” TIMO (similar to Hancock or Plum Creek Timber), only its operation would be based on a philosophy of maximizing social and environmental values over profits. This type of company might be appealing to certain investors willing to accept a lower rate of return in exchange for

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the knowledge that they are investing in a company operating with these types of expressed philosophical values.

A Nisqually Forest Management TIMO could be set up either as a non-profit or for-profit company. As blocks of forest land are acquired the TIMO could set them up as “trust” lands that are managed for specified purposes (similar to the public trust lands managed by DNR). Revenues generated from forest operations would be used to pay a dividend to investors.

Pros:

- Efficient management
- Streamlined decision making
- Pays dividends to shareholders
- Community “initial public offering” – allows everyone an opportunity to invest
- Attract venture capitalists

Cons:

- Balancing profit motive vs. other values; financial obligations to underlying investors might compete with other values
- Cannot apply for grants
- Fundraising would be difficult

Nisqually River Foundation

Description:

This alternative is similar to the ‘Nisqually Land Trust’ described above, only the community forest would be owned and managed by the non-profit Nisqually River Foundation instead of the Land Trust.

Pros:

- History in watershed
- Good reputation
- Contacts & relationships
- Established organization
- Mission alignment

- Easier initial startup (difference between inertia and momentum)

Cons:

- Complicates Foundation mission and structure
- Appearance of conflicts of interest (real or perceived)
- Scattered focus; mission creep
- Strain on resources
- No experience in land acquisition and management

Instrumentality

Description:

An instrumentality is an organization that serves a public purpose and is closely tied to federal and/or state government, but is not a government agency. Many instrumentalities are private companies and some are chartered directly by state or federal government. Instrumentalities are subject to a unique set of laws that shape, define, and control their activities. Many instrumentalities are financial services organizations, including the Federal Reserve Banks, national banks, commercial banks and most credit unions and insurance companies. An instrumentality could be established to acquire and manage a community forest in close association with local and/or state government.

Pros:

- Better protection of public funds
- Unique set of laws; provides legal protection

Cons:

- May have specific restrictions

PREFERRED ALTERNATIVE

The Planning Team and the Advisory Committee recommendation is to either create a subsidiary organization within the existing Nisqually Land Trust or establish a new non-profit. A distant third choice is to establish a new municipal-forest district.

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NEXT STEPS

Following is a description of the most likely next steps and actions to begin implementing the Nisqually Community Forest. While these may seem to imply a general order, it is not intended to suggest they will occur in sequence. Some ideas can be implemented relatively easily while others are more difficult and challenging. Many of the steps are interrelated and may occur simultaneously, or they may occur in a different order than presented depending on opportunities that arise, funding obtained, etc.

- Produce and print a final concept plan for the Nisqually Community Forest.
- Share the vision far and wide with stakeholders (i.e., community groups, organizations, businesses, associations, civic clubs, government agencies, elected officials, boards and commissions, etc.).
- Implement an ongoing communications and public-relations strategy. Consideration should be given to starting an e-newsletter and mailing list to keep interested people informed of progress and opportunities to get involved (including social media such as Facebook and Twitter). Specifically the strategy should be designed to: 1) target key stakeholders; 2) create media events and opportunities to get regular and on-going coverage in local newspapers and radio; and 3) build relationships with local reporters and editors to keep them informed of the project, progress, and accomplishments.
- Utilize project-management tools to stay organized and focused. Prepare a master punch list of the work that needs to be done and assign lead responsibilities to individuals and/or committees to follow through on that work. Break large tasks down into smaller and more manageable tasks.
- Formalize partnerships. Enter into written agreements with other entities with similar goals and objectives.
- Investigate legal and tax ramifications of setting up a new non-profit organization or wholly-owned subsidiary for this purpose.
- Create an ownership entity.
- Research possible acquisition areas and initiate owner contact.

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- Research and develop funding possibilities (i.e., grants, foundations, private investors, etc.).
- Continue meeting with the Community Forest Advisory Committee.

How can you get involved?

- Send us your ideas for land acquisition, funding opportunities, partnerships, etc.
- Bookmark our website and check regularly for updates (www.nisquallycommunityforest.org).



PUBLIC MEETINGS SUMMARY

Two public meetings were held in November, 2012, in the Upper Nisqually watershed – one in Ashford and one in Eatonville. The purpose of these meetings was to present and discuss preliminary review drafts of the information contained in this report with a larger public audience. The Ashford meeting was held on Monday, November 5th, from 7:00 to 8:30 p.m. at the Ashford Fire Station. The Eatonville meeting was held on Wednesday, November 7th, from 7:00 to 8:30 p.m. at the Eatonville Middle School.

Room Set-Up

Chairs were set up in rows (theatre style) at the front of the room to facilitate an opening plenary presentation to everyone in attendance. This included a screen and a PowerPoint projector. Five ‘stations’ were set up around the periphery of the room containing information specific to the following topics:

- Vision and Goals
- Forest Resources
- Forest Products/Opportunities for Income
- Ownership and Management
- Next Steps

Each station included a zeroxed handout for that particular topic and a 24” x 30” poster summarizing the primary information on the topic. Each station was staffed with a member of either the Planning Team or Advisory Committee who was particularly conversant on that particular topic.

A sign-in table was set up near the entrance to the building where people were asked to provide their name and contact information. Nametags and a meeting agenda were provided at the sign-in table. The agenda included a ‘station-by-station guide’ with suggested questions intended to tease out peoples’ thoughts about the information they were previewing. The agenda handout also included the contact information for all members of the Planning Team (including the National Park Service) and the project

planning website where all the summary documents could be downloaded.

Refreshments (coffee, juice and cookies) were also provided.

Meeting Agenda

The first fifteen minutes (from 7:00 to 7:15) were used to give people a chance to sign-in, meet and greet others in attendance, and get refreshments. A formal presentation was provided from 7:15 to 7:30 to give people a general overview of the project, how it was organized, who is involved, and directions for visiting each station. Everyone was then given 30 minutes (from 7:30 to 8:00) to visit each station (in no particular order). While visiting each station they were asked to read through the information provided, ask questions if needed, and jot down their initial thoughts/reactions to the information provided. All meeting participants were then reassembled for the last 30 minutes of the meeting (from 8:00 to 8:30) for a closing discussion to gather initial public comments. Meeting attendees were encouraged to provide additional comments after the meeting by calling, writing, or emailing any of the Planning Team members listed on the agenda.

Meeting Results

Ashford Meeting: The Ashford meeting was very well attended especially given its small population and traditionally low turnouts for other public meeting events. Thirty-three people signed the sign-in sheet and filled the Fire Station to capacity. The opening remarks went according to plan but the time allotted for people to visit each station turned out to be confusing for many attendees. When everyone was re-convened for the closing discussion an audience member requested that the person staffing each station briefly explain what their station was all about. That request was honored and, in hindsight, allowed for a sequenced presentation about the projects' vision and goals, forest resources, opportunities to make income, possible ownership and management scenarios, and next steps.

The audience was overwhelmingly in favor of the Community Forest idea although there were a few healthy skeptics who said it's been tried before and will never work (from a business-model perspective). Several attendees were looking for reassurance that public recreation access will be allowed. This concern arose because of previous

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NLT acquisitions in the Gateway Initiative near Ashford that utilized grant funding from the U.S. Fish and Wildlife Service for habitat protection. That funding source only allows certain types of passive public recreation access such as hiking trails. Not one person said they were against the idea. Several people wanted to know how soon the project can get implemented.

Eatonville Meeting: The Eatonville meeting was poorly attended with only six attendees (in addition to the six people running the meeting). Given the small turnout a decision was quickly made to keep everyone together and visit each station in sequential order. This format worked well and the conversation at each station was thorough and robust. No one was against the idea and it was a bit like preaching to the choir.

An important difference between the Ashford and Eatonville meetings was that for the former, the Planning Team worked with local stakeholders to work a phone tree in addition to mailed and electronic communications to inform the local community about the meeting. In Eatonville, the Team relied solely on mailed and electronic communication.

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Nisqually Land Trust Executive Director Joe Kane provides an overview of the proposed community forest at the Eatonville public meeting.