Humboldt County
General Plan Update

Forest Resources
Assessor/Planning Presentation
March 11, 2010
Focus of Presentation

Forest Resources:
- General statistics
- Trends in forest land ownership
- Assessor Presentation
- Policy Issues
Forested Areas and Timberlands

- 1.9 Million acres of forested land in Humboldt County
- Covers > 80 percent of county’s land area
- 1.7 Million acres are of harvestable timber
- >1,000,000 acres in TPZ
2008 County’s total gross value timber was $108 million – 25% less than 2007 (which was $147 million)

Humboldt County ranked first in state

County harvest value consistently over 20% of the statewide total
Forest Lands Ownership in Humboldt County

- Industrial Timberland
- Other Timberland
- State or National Park
- National Forest
- Bureau of Land Management
- Tribal Lands
Trends in Forestland Ownership

- Overall 8% decrease (51,000 acres) in forestland ownership by Industrial Timber companies from 2001 – 2008
- Decreases:
  - Palco (now Humboldt Redwoods) (12,000 ac)
  - Green Diamond (17,000 acres)
  - Barnum Timber (5,000 acres)
  - Eel River Sawmills (22,000 acres)
- Increase:
  - Sierra Pacific (5,000 acres)
Trends in Forestland Ownership

- 88 parcels (11,157 acres) of TPZ that were in private ownership in 1998 are now public lands.
  - 27 parcels (3,493 ac) were Eel River Sawmills
  - 24 parcels (2,015 ac) were Barnum Timber (mostly BLM)
  - 12 parcels (3,103 ac) were Palco (Scotia Pacific)
  - 7 parcels (543 ac) were Robert Stansberry (BLM)
25% of all Lot Line Adjustments and Certificate of Compliances were on resource lands from 1985 – 2000

From 2000 to 2008 the percentage rose to over 67% covering 53,000 acres
Trends in Forestland Ownership

- Sale of Eel River Sawmills (22,000 ac)
  - Schmook Ranch - 5,000 acres, 46 Certificates, 8 improved
  - Villica/Hedland - 8,500 acres, 51 parcels sold, 8 improved
- Palco
  - From 2002 – 2008 change of ownership (12,400 ac)
    - Now 67 new owners (43 have improvements)
  - RLF (includes Hilltop Ranch) – 5,102 acres, 23 certificates, 12 parcels sold, 1 improved
Size Matters in Humboldt

Larger Ownership

Ownership of Timberlands in Humboldt County

File Harvest Plans on More Acres

Total acres filed (THP + NTO) 1997-2008 Humboldt Co.

262,184 acres filed over 12 years, (22k/year)

Total of 780,000 acres of merchantable timberland

Courtesy of NCRLT
Harvest Intensity Trend is Nationwide

Data from Butler (2008) show the same trend as that observed in Humboldt County—timber harvest is more common on larger ownerships.

Figure 8.—Relationships between size of forest holdings and timber harvesting, forest management plans, and forest management advice for family forest owners in the United States, 2005. The x-axis in Figure 8A is an arithmetic scale and in Figure 8B it is a logarithmic scale. Error bars represent 68 percent confidence intervals.
Why Small Parcels Harvest Less

Timber production is not a high priority (Butler 2008).

In Mattole, 44% of owners <160 ac. interested in harvesting timber vs. 79% for owners >160 ac.

Size of Forest Holdings Matter: Ownership Objectives

Percentage of family forest land and family forest owners who rated (A) timber production, and (B) enjoyment of beauty and scenery as very important or important reasons for owning their forest land, by size of forest holdings.

Courtesy of NCRLT
Conclusions

- Parcel size matters, harvest decreases with parcel size.
- The subdivision of 35k acres over past 12 years was calculated to decrease harvest volume 13MMBF, which works out to a loss of approximately $150-200k in Timber Tax Yields annually.
- Though preliminary, it appears that regulatory restrictions have had an equivalent or greater impact on timber production than subdivision.
County Responsibilities

- County regulates the uses of timberlands but not the growing and harvesting of trees
  - General Plan Designations
  - Zoning (TPZ)
  - State Map Act (Certificates of Compliance, Subdivision, Merger)
Timberland Production Zones (TPZ)

- Established in 1976 by state Government Code
- Property taxes based on the growing and harvesting of trees
- 10 year “rolling” commitment
- 160 acre minimum parcel size except with approved JTMP
- Primary use is for the growing and harvesting of trees
Timber Yield Tax

Assessor presentation
- Timber Yield Tax
- Revenues
- Valuation
  - TPZ values
  - Other – converted areas, structures, roads – tax valuation process
- Samples of restricted versus non restricted tax
- “Parcels of Convenience” process and meaning
TPZ vs. Timber Yield Tax

- Tax on TPZ is a property tax based on a restricted value of timber producing land. Per acre values are established by the State Board of Equalization (BOE) and applied by local assessors.

- Timber Yield Tax is a tax on the harvest value of timber at the time it is cut. These values are also established by BOE. The tax is 2.9% of the harvest value and is collected by the BOE. The taxes are then sent to originating counties.
### TPZ land values as % of Total Assessment Roll

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOTAL ASSESSED LESS EXEMPTIONS</th>
<th>VALUE OF TPZ</th>
<th>TPZ AS % OF TOTAL</th>
<th>TOTAL TPZ ACRES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$10,785,910,835</td>
<td>$148,185,653</td>
<td>1.374%</td>
<td>1,008,408</td>
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<tr>
<td>2004</td>
<td>$7,499,460,457</td>
<td>$158,212,413</td>
<td>2.110%</td>
<td>998,930</td>
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<tr>
<td>1999</td>
<td>$6,046,728,774</td>
<td>$166,197,536</td>
<td>2.749%</td>
<td>975,761</td>
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<tr>
<td>1989</td>
<td>$3,737,215,257</td>
<td>$90,602,226</td>
<td>2.424%</td>
<td>991,932</td>
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</tbody>
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## Timber Yield Tax – County Revenue

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<tr>
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</thead>
<tbody>
<tr>
<td>TYT - all agencies</td>
<td>$2,701,898</td>
<td>$3,220,823</td>
<td>$5,542,779</td>
<td>$3,885,207</td>
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<tr>
<td>TYT</td>
<td>$964,273</td>
<td>$1,149,471</td>
<td>$1,978,147</td>
<td>$1,386,581</td>
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<tr>
<td>Total Tax Revenue*</td>
<td>$47,158,594</td>
<td>$24,757,436</td>
<td>$20,651,734</td>
<td>$19,708,244</td>
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<tr>
<td>Total County Revenue</td>
<td>$245,647,030</td>
<td>$185,935,177</td>
<td>$147,956,805</td>
<td>$86,667,764</td>
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<tr>
<td>TYT - % Total Tax Revenue</td>
<td>2.045%</td>
<td>4.643%</td>
<td>9.579%</td>
<td>7.036%</td>
</tr>
<tr>
<td>TYT- %Total County Revenue</td>
<td>0.393%</td>
<td>0.618%</td>
<td>1.337%</td>
<td>1.600%</td>
</tr>
</tbody>
</table>

*Comprehensive Annual Financial Report

COUNTY DEPARTMENTS ONLY
Range of TPZ Parcel Sizes

- 7,328 TPZ parcels in the County
- 2,111 parcels less than 40 acres (29%)
  - total: 44,000 acres (4.4%)
- 3,409 parcels from 40-160 acres (46%)
  - total: 282,000 acres (28%)
- 1,808 parcels more than 160 acres (25%)
  - total: 682,000 acres (67.7%)
Buildings on TPZ lands

- 7,328 TPZ parcels in the County
- 1,212 parcels show improvements (16%)
  - 1,044 parcels can determine size:
    - 267 parcels > 160 acres (26%)
    - 480 parcels between 40-160 acres (46%)
    - 297 parcels < 40 acres (28%)
Buildings on TPZ lands

- 134 TPZ parcels changed from vacant to improved from 1998 to 2008
- 63 total building permits were issued in the same period
  - 22 AOB residential permits issued
  - 13 regular residential building permits
TPZ Valuation
Restricted versus Unrestricted

Example A – 120 acres no house

TPZ value – based on restricted values
- Whitewood Site II (109 ac) - TPZ value $132/ac
- Whitewood Site III (11 ac) - TPZ value $111/ac
  - 109 acres X $132/ac = $14,388 (roll value)
  - 11 acres X $111/ac = $ 1,221 (roll value)
  - $15,609 roll value at 1% tax rate = $156 per year

Non TPZ value - based on sale price
- 2009 sale value: $150,000
  - $150,000 roll value at 1% tax rate = $1,500 per year
Example B – 40 acres w/ house

- **TPZ value** – Redwood Site III (38 ac) - TPZ value $178/ac
- Building site (2 acres removed) – $250,000 land value
- Structure value – $130,000
  - 38 acres X $178/ac = $6,764 (roll value)
  - Building and structure value = $380,000 (roll value)
  - $386,764 roll value at 1% tax rate = **$3,868 per year**

- **Non TPZ value** - based on sale price
  - 2009 sale value: $650,000
    - $650,000 roll value at 1% tax rate = **$6,500 per year**
Policy Issues

- Directives from the 2005 Sketch Plan Alternatives Report
- Key Issues and policy options for forest resources
- Differences in the Plan Alternatives
- Inventory and mapping differences for the plan alternatives
Sketch Plan Alternatives Report

- How did we get here?
  - 2004 Sketch Plan Alternatives Report
    - Guiding Principles
    - Policy Options
    - Directives for Plan Alternatives (Alternatives A, B and C)
Key Topics and Issues – Forest Resources

#1. State and Federal Regulatory Issues

• Should the County advocate for improved state and federal regulatory efficiency as a means to support continued timber harvesting as the primary land use in Timberlands (T)?
Proposed Plan Policies

State and Federal Regulatory Issues

• FR-P1,3 – Support more effective, low-cost timber regulations
• FR-P4 – Support broader use of NTMP
• FR-IM8,9 – Periodic review of County policies for consistency w/ FPA
• FR-P2 – Defer THP review to CALFIRE unless significant land use conflicts
Plan Alternatives

State and Federal Regulatory Issues

- Alternative A
- Alternative C
- Alternative D (Framework Plan)
Key Topics and Issues – Forest Resources

#2. Stable Land Base

- What can the County do to maintain the commercial viability of Timberlands so they continue to attract the investment necessary for logging and sustained timber production?

- Should the County be involved in managing the impacts of residential use of Timberland?
Proposed Plan Policies

Stable Land Base:
• Timberlands Designation
• FR-P8,9 – Regulates impacts of residential uses
• FR-P10 – Supports removal of lands from TPZ on substandard lots
• FR-P13 – Planned Rural Development
• FR-P6,15 – Supports tax incentives and purchase of development rights
• FR-IM4 – Revise Article II of merger ordinance
• Does not provide for second residences on TPZ lands.
Plan Alternatives

Stable Land Base
• Alternative A
• Alternative C
• Alternative D (Framework Plan)
Key Topics and Issues – Forest Resources

#3. Conflicts of Land Use in the Forest-Residential Interface Areas ("FRI zone")

• Should the County implement development standards to address potential use conflicts?
Proposed Plan Policies

Forest-Residential Interface Areas:

- FR-P17 – Recommends the establishment of the “FRI” zone
- FR-IM7 – FRI zone would be mapped around RCC’s and CPA’s
Plan Alternatives

Forest-Residential Interface Areas:
Alternative A
Alternative C
Alternative D (Framework Plan)
Key Topics and Issues – Forest Resources

#4 Infrastructure and Public Services

• What level of road maintenance and public services should the County provide to support continued timber production and residential uses of Timberlands?
Proposed Plan Policies

**Infrastructure and Public Services**

- FR-P19, IM11 – Supports infrastructure for transport of forest products not residential use
- FR-P14 – Avoid locating utilities on TPZ lands that could affect timber production
Plan Alternatives

Infrastructure and Public Services
Alternative A
Alternative C
Alternative D (Framework Plan)
Land Use Designations: Timber

- T – Timber
- IT – Industrial Timber
Timberland (T)

856,798 Acres
5,347 Parcels
Industrial Timberland (IT):

671,000 Acres
2,847 Parcels
Sketch Plan 1

Timberland

856,798 Acres
5,347 Parcels