

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Staff Presentation Worksheet

Presentation Date: November 23, 2010 Time: 11:00 am Length: 30 minutes

Presentation Title: Forest Management Program for County Forested Property

Department: Business and Community Services (BCS)

Presenter: Gary Barth, Department Director

Attendees: Mike McLees, Dan Green, Molly McKnight

POLICY QUESTION

Q. Should the current 2010 Forest Management Plan be further revised to incorporate additional standards for timber harvest activities and general forest land management?

ISSUE & BACKGROUND

In 2009 the Board of County Commissioners requested that BCS evaluate the Forest Management Plan in place for county-owned forested properties to determine if environmental, social, and economic attributes of the plan were sufficient to meet the overarching BCC goal of maintaining healthy and sustainable county-owned forest land; and if not recommend changes to achieve the Board's goal.

Concurrent with this request, County Parks & Forestry staff were already partnering with the Clackamas County Soil & Water Conservation District to conduct research on the costs and benefits of third party certification in county forests. EcoNorthwest was contracted to perform this analysis with assistance from Pacific Rim Forestry. Their report, "Sustainable Forestry in Clackamas County – The Costs and Benefits of Certifying Clackamas County Forests" was finalized in April 2010 and was the basis of analysis and staff recommendations presented to the BCC in a study session held in May 2010.

At the conclusion of that study session, the BCC directed staff to incorporate the following changes into a revised Forest Management Plan:

- Re-categorize forest lands as recommended by staff, including moving Madrone Wall and Parrott Creek to category 1 (preservation) and moving sensitive Mt. Hood corridor properties from category 3 (harvest) to category 2 (trade or sell).
- Replace sold or traded category 2 properties with comparable acres of category 3 properties. (At that session, approval was granted to acquire 95 acres of category 3 forest land).
- Increase the frequency of Forest Plan Performance Reviews from 10 years to 3-5 years to ensure plan goals and objectives are being met.
- Reduce harvest area target size from 15-60 acres to 15-40 acres.
- Monitor emerging ecosystem markets for future economic opportunities. Delay third party certification until ecosystem markets are more fully developed.

With these proposed revisions to the Forest Plan, it was the opinion of the Forestry staff that the goals of the BCC to sustainably operate to a high environmental standard would be achieved, while still preparing for emerging opportunities in a growing ecosystems marketplace and positioning the program for possible FSC certification in the future.

At a recent study session approving the sale of the Green Tea harvest in accordance with our current Forest Management Plan, the BCC advised that they wanted additional revisions to the Forest Management Plan and that future timber sales would not be authorized until final revisions were adopted by BCC consensus; such revisions may include but not be limited to FSC certification.

The purpose of this study session is to determine what standards should be pursued, how they would be implemented, and what impacts may result.

OPTIONS AVAILABLE

1. **Reaffirm the current Forest Management Plan** which exceeds Oregon Forestry Practices Act (OFPA) and Sustainable Forestry Initiative (SFI) standards and continuing evaluating the program for possible FSC certification in the future.
2. **Increase stream buffers to FSC guidelines** in the Forest Management Plan. Staff would develop an impact analysis of the change in buffer guidelines for final BCC review and discussion. Continue evaluation efforts for possible FSC certification in the future.
3. **Contract with a third party FSC certifier** to conduct an audit of the current Forest Management Plan and identify changes to the Forest Management Plan beyond extended stream buffers necessary to obtain FSC certification of county-owned forest lands. Using this information, staff would develop an impact analysis and implementation plan for final BCC review and discussion.

4. **Enter into a strategic alliance with a third-party forest management firm** to develop a new Forest Management Plan for Clackamas County Forest Lands using an RFQ process. This plan would seek to incorporate attributes of managing forest lands for economic, ecological and social considerations and be in accordance with FSC standards. Upon completion of a draft plan, County Forestry staff and the contracted firm would prepare an impact analysis and implementation plan for final BCC review and discussion.
5. **Outsource the Forest Management program to a third-party forest management firm.** This option would include the steps outlined in Option 4 with the contracted firm executing all phases ranging from development of a new Forest Management Plan, preparing a social, environmental and economic impact analysis and providing on-going program management through a contract with the County. Under this option, County staff would have no direct involvement in the Forest Management Plan, other than serving as county staff liaison to the third-party provider and ensuring performance measures outlined in the contract are being met. Revenue generated from this option, net of contract management expenses, would be deposited into the Timber Trust fund to help fund ongoing operations and maintenance of county parks.

RECOMMENDATIONS

Staff's recommendation is that the Board choose their preferred option among the five presented. A preliminary estimate of the potential human and financial impacts of each option are outlined below. Regardless of which option is chosen, staff also respectfully recommends that the BCC engage the BCC appointed County Parks Advisory Board as well as the Forest Advisory Board regarding any potential changes to the Forest Management Plan and management practices, and jointly determine if public meetings should be held to gather public comment on any proposed changes before any final action is taken.

Option 1 maintains the current plan. Staff understands that the BCC is interested in possibly increasing the social and environmental elements of the plan and therefore is not endorsing option 1 but simply showing it as one of the options available. This option would have no impacts to the County.

Option 2 would address the BCC's interest in increasing the social and environmental elements of the plan by adopting FSC standards for enhanced stream buffers. This option would require minimal effort to implement and result in an approximately 5% reduction in timber harvest revenue or roughly \$35,000 - \$40,000 on an annualized basis. This amount would be substantiated by the recommended impact analysis.

Option 3 FSC certification assessment would cost an estimated \$7,500 - \$10,000 for a third party certifier to conduct an FSC audit and provide recommendations for changes to our Forest Management Plan necessary to achieve FSC certification. Implementation

of FSC standards would result in an estimated annualized reduction of 35% or \$250,000 - \$300,000 in timber revenue for Park operations. There would also be additional recurring audit expenses to maintain certification.

Option 4 could be structured to comply with FCS Group certification and further integrate environmental and social considerations into a revised Forest Management Plan while still providing a critical source of revenue for continued support of County Park operations. A strategic alliance with a third-party firm would allow us to develop a Forest Management Plan that would specifically address the BCC's desires for a socially and environmentally substantiated plan, while helping ensure that competitive financial returns are realized. If option 4 were to be pursued, we would recommend developing a Request for Qualifications (RFQ) from multiple forest management firms capable of performing this work including completion of a social, environmental, and economic impact analysis for presentation to the BCC for final direction and adoption. County staff would be an active participant in this process and hold primary responsibility for implementation of the newly adopted plan as well as ongoing plan management. Option 4 would likely cost more than Option 3 and have a similar impact on timber harvest revenue.

Option 5 would have a similar objective as Option 4 with the primary difference being that implementation and ongoing program management would also be outsourced to the third-party firm that developed the new Forest Management Plan. Option 5 would likely be the highest cost alternative, with similar impacts to Options 3 and 4 on timber harvest revenue.

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval Lawel Beutman (for Gary Barth)

County Administrator Approval _____

For information on this issue or copies of attachments, contact Chris Van Duzer.