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Gary Allen Center for Chesapeake Communities Annapolis, MD 21401

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Sustainable Forestry Council

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SUSTAINABLE FORESTRY COUNCIL

December 15, 2014

Minutes

Attendees: Eric Sprague Don Outen Gary Allen Bryan Seipp Kim Finch Kirk Rodgers DNR and Guests: Anne Hairston-Strang, MFS Kenneth Jolly, MFS Don VanHassent, Acting State Forester Rob Feldt, MFS

Eric opened the meeting at 10:05am and reviewed the agenda. Revisions were suggested and incorporated for later distribution.

Eric introduced the Woodland Incentive Fund report, reviewed committee composition and history of issue, and 6 recommendations to address the trend of declining income. Some heavily wooded counties have not contributed to the Woodland Incentive Fund, despite a requirement for the tax.

- Ensure proper asset management and that tax receipts are being properly directed
- Leverage Farm Bill \$ and use EQIP.
- Develop financing partnerships, trust fund, CBT, RGGA
- Generate revenue streams
- Harness Market-based conservation
- Research effects of changing the funding base for WIF to the Real Estate Transfer Tax.

New taxes were not seen as a likely strategy. Future potential may exist for the Chesapeake Bay Restoration Fund from the flush fee, once commitments to the initial sewage treatment plant upgrades are met. FCA fee-in-lieu funds could potentially be used for forest management and health, but guidance should be established for consistent application (e.g. one county credits an additional 20% for conserved forest).

Don Outen suggested other ideas for use at the county level, such as property-assessed bonds. They are used for alley and sidewalk programs and energy programs, where the local government floats bond to kick-start the project, and property owners pay it back over 10-20 years on their property tax bill. This may not be a good fit for the WIF fund itself, but could be a useful option for larger projects. (see PACE NOW.org website for example)

A tax on timber sales was discussed, but implications and options would need to be researched. It was tried in MD before and did not go well. For market-based conservation, targeting funding

could be more performance-based for water quality or carbon stored. This kind of approach could improve ability to communicate the benefits of WIF. The option of changing the funding base from the real estate transfer tax for WIF was not supported by MDA in the WIF committee because of negative effects on MD Agricultural Land Preservation Foundation funding and other land conservation priorities. An option was discussed where a property with a forest stewardship plan was sold and part of transfer tax goes to WIF, along with raising the cap from 200K to 500K.

A letter from the SFC was discussed. It would come from the SFC Chair using SFC letterhead. Don suggested some comments in style, such as not singling out a county, and expressed a preference for opportunity to comment further on style and technical changes. Gary suggested follow-up with key legislators, the Transition Team, and adding reference to researching property assessed bond programs like PACE.

Kenneth Jolly presented MD Tree Farm Program background and state committee representation. MD Tree Farm is the major option for certification for private forest land, originally set up as a recognition program. In 2005, Tree Farm partnered with the Programme for the Endorsement of Forest Certification (PEFC) to establish certification standards. Sustainable Forestry Initiative (SFI) recognizes Tree Farm certification, so forest products companies can include it in the product mix for SFI-certified products. Maryland has 981 tree farms, of which 868 are certified, covering 117,958 acres, 5% of the state's woodlands. Tree Farm is staffed by 4 people embedded in American Forest Foundation, and much of the program is run as state programs. State committees now require broader representation beyond forest industry. Maryland rejuvenated its state Tree Farm program in 2009 with new leadership and Maryland Forest Service staff support. Tree Farm now has the long-used Tree Farm sign, and a new Certified Family Forest sign, a rebranding effort to convey broader relevance. Recognition and outreach include Tree Farmer of Year, Tree Farm Inspector of Year, and Arbor Day seedling give-away from pine to redbud. Maryland has worked hard to make its database current and catch up on tree farm inspections, and is pursuing the certification option (not just recognition pathway in State Voice/State Choice), like 75% of states. It has to meet 8 standards with multiple performance measures, and be audited every 4 to 5 years with an independent auditor. Audits have occurred with SCI in 2010 and Price Waterhouse Cooper in 2014. MFS operation orders for stewardship plans have been changed to meet standards for Tree Farm certification. Areas pointed out for improvement were identifying and protecting cultural and historic resources, and invasive species. MD Tree Farm is developing a Strategic Plan to enhance communication and outreach/education. Kenneth responded to a variety of questions from committee members. MD Tree Farm plans to hire an intern to geospatially delineate Tree Farm boundaries based on the database and point georeferences. Tree Farms have to be contiguous, but can have multiple Tree Farms covered by one management plan. Western MD has the highest concentration of Tree Farms, with Southern and Eastern Regions about equal, Central somewhat less. Tree Farms have forest management plans and 2/3 also use other tax programs like FCMA or WAP.

Gary requested a map showing a geographic database, participation in tax programs, and Forests of Recognized Importance. MFS is looking to strengthen the Tree Farm program, expand it, and build a source of future certified wood supply that would allow MD forest products industry to meet demand for certified product. Currently, paper products have demand for certified wood, and there may be demand in the future for structural lumber. The Tree Farm national office holds the certificate, hires the independent auditor for the Northeastern Area certificate, and gets audited by PEFC. For invasive species, management activities should be appropriate for scale

and scope of planned management, and should take steps to control the spread. There is significant administrative cost, but possible benefits could be tracking Tree Farm products and marketing as MD grown as a quality indicator. Needs for the Tree Farm system in Maryland include some additional implementation for the audit issues, and substantial work with using the addendum document to update missing elements in older plans. Over next 4 years, plans are expected to be brought up to standard. Workshops with tree farmers, TreeFarm 101, are being held as part of a grant. Discussion supported enrolling lands in Tree Farm as much as possible, continuing to pursue it as a path to greater private land certification, and highlighting role in delivering a high-quality product. Tree Farm is active in many coalitions and has national recognition.

Rob Feldt presented the 1-m forest cover data developed through University of Maryland and the Carbon Monitoring System project with Ralph Dubayah, and analyses for riparian forest buffer coverage. USFS Forest Inventory and Analysis (FIA) data gives statewide estimates, estimating loss of 350,000 acres, about 10,000 acres/year. FIA now used an annualized estimate with a 5year replacement. The Forest Preservation Act of 2013 required estimates of forest cover in MD. UM and NASA Carbon Monitoring System carried out 1 m forest cover analysis based on 1m National Agricultural Imagery Program data, LIDAR topography and vegetation height analysis, and biomass estimation. 2011 data was delivered last year. The GIS section developed an update protocol with 2013 NAIP using Normalized Difference Vegetation Analysis; George Edmonds used this to estimate health issues and forest loss (<0.2 on index). The forest cover was screened to ½ acre to focus on real loss and exclude shadow and canopy gaps. Rob proposes 2011 as benchmark data and using NAIP to assess future years. Don O. suggested comparison with older county data, to allow assessment of change from previous Urban Tree Canopy assessment. Committee questions included a definition of forest versus urban (FIA uses 1 acres in size at least 120 ft in width), if there is forest expansion in rural lands, and whether the baseline could be changed from 2007/8. Rob noted that the 2006 NLCD showed a loss of 10% forests to ag, Concerns were expressed about the baseline and the need to keep the reference date of 2007/8.

Don VanHassent gave an update on the Transition Team, headed by Mark Belton, former Assistant Sec. of DNR under the Ehrlich Administration. Meetings and feedback have been cordial, and a new Secretary is expected. The DNR draft report was due on Jan. 9. Budget deficits are present in this fiscal year and next, and cuts are expected. Support from SFC for the DNR FS budget was discussed. Eric solicited input to the incoming governor's team. Discussion expressed strong support for MFS staff and need to maintain funding. Gary suggested an urban forestry focus, strong technical assistance, enhanced urban forestry assistance, attention to the biomass issues, broadening stewardship, and building more support for public values. Kirk suggested emphasizing constituents who can most affect the forested landscape, the 300,000 MD landowners; issues would include improving tree-planting and spraying cost-share like VA, addressing estate tax and land use change, and making sure State lands are getting fair market rates for hunting and timber. The public perception of the rain tax highlights the need for environmental education, emphasizing forests for water quality. Communication strategies were discussed, from using Tree Farm symbols to improve awareness, to strengthening Forestry Boards and emphasizing forest buffers as a priority practice.

Anne gave an update on forest harvesting BMP regulations and the confirmation that Thousand Cankers Disease of walnut has been found in Maryland in Cecil County. Issues and needs for the 2015 MD Forest Action Plan update were discussed. Gary brought up the National Urban Forest Survey and the new effort to establish a Baltimore Wilderness modeled after the urban park network of the Chicago Wilderness. The Baltimore Wilderness effort has an initial grant to

identify potential for scaling up connections, expanding land protection, and addressing equity and environmental issues. The Baltimore-Washington Partners for Forest Stewardship are helping coordinate practices on major federal lands. Baltimore Metropolitan Council and Urban Waters Initiative are venues for coordinating planning with sustainability initiatives, local green infrastructure, and master plans. The Baltimore Wilderness grant aims to coordinate local governments to identify vulnerable lands and prioritize needs to restore/protect. FSC members raised the possibility of holding a Listening Day for the Forest Action Plan in Spring

Eric raised the need to change leadership, and advised that Don Outen is willing to serve as new chair for the next two years, and Al Goetzl as co-chair. Future meetings were discussed, aiming for the end of January, and a future speaker, Dave Newburn, who has researched impact of Forest Conservation Act on protecting forest land and development potential.

Eric adjourned the meeting at 2:53pm.

Respectfully Submitted,

Anne Hairston-Strang