

FORESTRY NOTES SPECIAL REPORT



National Association of
Conservation Districts

Succession planning: Now is the time



More than half of the nation's forestland is privately owned, but in the coming decades, these acres will transition to a new generation of forest landowners. Many of these individuals do not have the same connection with the land that their parents and grandparents had. Will they accept the need to manage their woodlands? Will they see the value the forest provides?

According to recent data, "80 percent of family forest landowners want their land to stay intact and remain in the family. They have no intention or desire to sell their property." Yet, only a small percentage of families invest

the time to talk about how to transfer ownership and maintain forest health for future benefits. This leaves our forests vulnerable to fragmentation and ultimately to a change in land use.

There is important information to pass down, like understanding timber tax laws, conservation easement options, the value of having a forest management plan, available cost-share programs, and knowing local for-

estry professionals who can help with management. Perhaps most importantly, there is a need to share the benefits a forest provides, not only for the family but for the communities and wildlife that rely on it.

Forest succession planning involves a series of steps, often facilitated by a qualified professional armed with resources to address each step in the process. The most important step is the first step—initiating the conversation.

Districts can help families have the conversation



**Steve
Hedstrom**

The land we cherish and live on will eventually be passed down. In order for this transition to be successful, current leaders must have a conversation with the next generation of woodland owners.

It's our responsibility to make sure future generations understand what it takes to manage the forest and appreciate all the benefits a healthy forest provides.

Conservation districts help families work through this process. Because districts develop one-on-one relationships, they understand what the individual landowner treasures most about his or her property. It's enough to start the conversation, and from there, planning can begin.

As this issue highlights, conservation districts across the country are helping to host

workshops and distribute materials so families are better informed and prepared for everything involved in the succession planning process.

With so much land expected to change hands over the next two decades, there is a growing need for conservation districts and other forestry organizations to take a proactive role.

I encourage families to begin the conversation now, and I encourage conservation districts to assist any way they can in guiding families through that process. The land needs the next generation of stewards to be prepared.

Steve Hedstrom
NACD Forestry Resource Policy Group

In the coming decades, America will face its largest transfer of land in history. State forestry agencies, state extension offices, conservation districts and other organizations are helping families work through the process. Forests provide significant benefits for the public and retaining family ownership is important to maintaining a healthy forest ecosystem.

There are many resources available to establish succession planning to ensure that a transition from one generation to the next is as smooth as possible.



Workshops get the ball rolling

Oregon State University Forestry and Natural Resources Extension developed a Ties to the Land program several years ago, and many extension offices and conservation districts across the country utilize this program to cater to their respective audience. It includes professional speakers on estate planning, taxes, wills and offers tips on how families can have conversations as well as those dealing specifically with what type of use the landowner would like to see carried on.

In Portland, Ore., East Multnomah Soil and Water Conservation District (SWCD) partners with the Small Business Development Center at Clackamas Community College to offer a four-part workshop and one-on-one training to select landowners. The next session will be in Jan. and Feb. 2019. East Multnomah SWCD and the Small Business Development Center are underwriting the program so there is no cost to participants.

East Multnomah SWCD Land Legacy Program Manager Matt Shipkey says participants also have the option of engaging in a year-long course with the Small Business Development

Center following the workshop. The district and the Small Business Development Center have also discussed the potential to create a regularly updated database of farm succession planning professionals and testimonial videos as resources for landowners interested in legacy planning.

In Michigan, Leelanau, Grand Traverse and Benzie Conservation Districts have held workshops on forest succession planning in partnership with Michigan State University Extension, and the group follows the Oregon State Ties to the Land program. Conservation district forester Kama Ross co-sponsored the event last year and said she could relate to landowners' questions and concerns.

"It is a very important topic, but one that not many families readily take the time and energy to discuss," Ross said. "I am also a forest landowner with two parcels — one 84 acres, one 132 acres—that I have had to make hard decisions about. My children live out of state and are not interested in being active managers in the future. But the investment and timber resources will be there for them when I am gone."

Offering that first-hand experience and personal touch opens communication and can build trust in the planning and navigation process.

The New Hampshire Association of Conservation Districts (NHACD) employs

a full-time resource conservationist to do resource assessments and develop conservation plans, which often ultimately lead to Natural Resources Conservation Service (NRCS) practices. During the process, the resource conservationist becomes familiar with the landowner objectives and the issues surrounding succession planning.

NHACD also gives referrals to Land for Good, which works with farmers and forest landowners on legacy programming and planning.

"Normally, the districts follow up with landowners implementing practices in any event, so a follow-up conversation would likely include successional planning if that issue was present at the beginning of the working relationship," NHACD Past President Linda Brownson said.

"It is a very important topic, but one that not many families readily take the time and energy to discuss."

— Kama Ross, conservation district forester



Virginia connects families and land

Virginia Department of Forestry (DOF) and the Virginia Cooperative Extension have teamed up with other partners to provide a “Land Transfer to Generation ‘NEXT’” program. It was modeled off of the Ties to the Land format eight years ago but has been modified and added to enough that the DOF and the extension office have branded and trademarked the program.

While it includes estate planning, tax implications and specific land value-related sessions, the two-day workshop includes more intimate moments with small group discussion and activities.

“We come at this from a resource side, but there’s another side that’s been personally and professionally rewarding, and that’s families,” Virginia Cooperative Extension Forestry & Natural Resources-Northern District Extension Agent Adam Downing said. “It’s a resource that once it’s lost from a family, it’s very difficult to get back. The woodland is kind of a glue of sorts to keep relationships working and keep the family land together.

“The discussion is hard to get started, but once you start it will progress to a complete plan,” Downing said.

The program has an application process and a different approach to the subject matter each day. Day one focuses on tools and sending participants home with homework, like determining the value of their land and comparing notes on how spouses feel about

the land. The second day is focused more on peer-to-peer information, telling stories and reviewing real life situations.

“The real tipping point, I think, is making it their story,” Virginia DOF Forestland Conservation Manager Michael Santucci said. “When you bring it down to the family level and help them figure out why it’s important to them, they really get engaged.”

Downing said due to the difficult nature of getting discussion started, the program also includes instigator cards to help bridge the conversation for participants. The cards are used by DOF staff to initiate similar interactions out in the field when meeting with landowners and for extension staff to use when answering calls or providing resources.

“It’s a great opportunity to bring up this topic and if the door shuts, that’s fine, but if it’s open, we have an opportunity to have a long-term impact on that property that will last generations,” he said.

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— Michael Santucci, Virginia DOF Forestland Conservation Manager

Story cards help bridge the gap

Pennsylvania State University College’s Department of Ecosystem Science and Management faculty have created picture story cards to assist workshop participants and individuals in conversations about succession planning.

Extension Specialist in Forest Resources Sanford Smith developed the 52-card forest story card set in 2007 to bridge a generation and language gap between him as a professor and the public he works with, including professionals, educators and youth. Their use has grown over the years to include extension and natural resources professionals who use the cards as a starting point for discussion about what they value in their forests and the planning that is needed for the future.

The idea is that in a workshop, group or learning session, the leader asks a question and each person uses the pictures to express their answer. Called a “visual survey” method, from there discussion can begin about the values they have in forests.

“If a picture’s worth a thousand words, we’re using pictures to elicit a thousand words,” Smith said.

Interim Director of the Center for Private Forests at Penn State and Assistant Research Professor of Private Forests Management Allyson Brownlee Muth helped modify the original deck of cards into a “heritage set” by swapping out some pictures with those that might more directly be part of legacy planning, like a will or a tombstone.

“Children often don’t want to think about what happens when parents are gone and the decisions that have to be made,” Muth said. “They’re not ready, so the way we chose to start was to help people with that family communication piece. Getting on the same page with what’s important and what you want the future to be helps people find commonality.”

10 Steps for Succession Planning

Virginia Department of Forestry and the Virginia Cooperative Extension Forestry & Natural Resources offers 10 steps in its Generation Next workshop to make the process of succession planning less daunting. These are adapted from Oregon State University's Ties to the Land program:

1 Discuss and write down your goals (vision) for the property and the family.

Having information written down will give you more control over the land while providing concrete thoughts and desires for family members. Conservation district and university extension offices, as well as other forestry agencies, will have resources to help begin this process. Goals may include keeping the land intact or in the family as well as various land management options.

2 Discuss these written goals with your family.

There must be an effective and intentional plan in place to communicate with family members. Otherwise, intentions may not be followed, which can put the future of the land in jeopardy, especially if you want to keep it intact. Discussing plans as they were written will help members better understand and ask questions or clarify objectives.

3 Create a family business entity to own the land.

The LLC has become the preferred entity for many landowners because of business

control and liability protection, but there also are corporation options and revocable trusts. Experts can help identify the best options for each individual situation based on the discussions on goals of families.

4 Have regular family meetings to discuss the business and share your passion.

Different life events may prompt changes—births, deaths, marriages, etc. Ideas or questions may pop up, including how to divide the land equally versus fairly between children and/or grandchildren. As time passes, individual priorities may change. Ensure that what is most valued about the land and what heirs value most continues to line up for future goals.

5 Set family employment policies before you hire any family members.

If family members are to be involved in the day-to-day management of the land, it may be advisable to approach this from a business-like perspective and determine what the employment policies are. The process of getting to an agreement may be challenging but can head off problems down the road.

6 Discuss and write down important decisions.

"The adage of 'if it ain't written down, it ain't nothing' holds true," Virginia Cooperative Extension Forestry & Natural Resources - Northern District Extension Agent Adam Downing said. "To a significant extent, while this is family land, the handling of important decisions should be

handled professionally as a significant family business would be. So, write it down."

7 Create non-financial reasons for the family to keep the property.

Transitions can cause the land to be at-risk as finances may look more appealing, but if there is an emotional connection or natural interest in the land, the value of keeping and maintaining it is higher.

8 Get your kids and grandkids out to work and have fun on the property.

Have treasure hunts, explore the land, collect wild food (berries, hunting, roots, mushrooms), and tell stories. Talk about the benefits of the forest as a whole, while finding specific inspiration in the land and wildlife. Creating memories will develop heart connections with the land.

9 Create a governance structure that will survive your passing.

Choosing a legal structure to keep the land intact and establishing patterns keeps families connected to the land. Developing a governance structure includes identifying stakeholders, outlining roles and responsibilities, and developing rules and guidelines to follow in maintaining the vision for the land.

10 Remember to have fun.

Enjoy spending quality time with your family on the land. "If it's all work and no play, your hopes will be harder to achieve," Downing said.

Additional Materials Related To Succession Planning



For more information on Penn State forest story cards, visit <https://www.joe.org/joe/2010april/iw6.php> or to request a set, contact the Center for Private Forest at 800-235-9473.



For more information on Virginia Cooperative-Department of Forestry legacy planning partnership and resources, visit

<https://ext.vt.edu/natural-resources/legacy-planning.html>



For more information on Oregon State University's Ties to the Land workshop, visit <http://tiestotheand.org>

