

Town of Wayne Open Space Committee
Addendum to minutes of 8/28/17 meeting minutes
Information from Bill Williams

Re: Question about Wayne property

Bill Williams <bill@mainewoodlandowners.org

Wed 8/30/2017 10:52 AM

To: Sue or Ken Spalding (Spaldings4@msn.com)

Questions:

1. Are any of my characterizations of what you said incorrect? If so, please correct me.

Answer - You have characterized what I said reasonably well - I would like to reiterate that any accurate estimate of net stumpage, however the parcel is managed, would require a timber inventory and forest management plan. This way you know the total volume by species, and can determine a value given current market conditions. You are correct, any estimate of value at this point is a guess and should not be relied upon. I would recommend to the Committee that they have a management plan done on the property that includes a timber inventory by species. At least this way, you can make informed decisions about the property based on fact. This might be a better reference for the record than including any ballpark estimate I used. Also, liquidation has a negative context and probably should not have been used. Some of the foresters we use, have used the term to describe the total timber value. We generally try to discourage its use in our plans. The point I was trying to make is that once you have an inventory for the entire parcel, you can determine a value for the total inventory based on current market conditions. This simply gives the Committee a place to start from, answering the question, what's the total timber value on the property today. We always ask our forester doing our plans, to provide a Woodlot Summary by Wood Product page that gives us the total volume, likely stumpage rate at that point in time, and total value by species. I am attaching a management plan done for our Winthrop property by Harold Burnett, so the Committee can have a better idea of what's in a full blown management plan (Conservation Activity Plan that I spoke of at the meeting). Please do not duplicate it or share it beyond the Committee as it is a confidential document.

1. What would your estimate be for the net income on an initial harvest that is part of a long-term management plan (how MWO would manage it or recommend the town should manage it for the long-term)? Might the initial cut be done fairly soon? If not what would be an estimate of when it should be done?

Answer - We manage lots like yours(all of our lots really) for future growth and timber quality wildlife habitat, water quality etc. As I mentioned at the meeting, we are setting our organization up for the future on most of our properties, taking the

poorer quality timber now, releasing the better quality timber and encouraging growth of desirable under-story. Our management decisions are not based on revenue. Decisions we make are based on sound silviculture, consistent with our philosophy and in many cases, our donor's wishes. Our Initial harvests on your property would likely produce some low quality wood that has little market value (hemlock, softwood pulp), some logs (pine and a few oak), but the volume taken in the first harvest would likely be low. Because there is no management plan at this point for the property, and no inventory, its very difficult to determine net stumpage. Until you have a plan, you won't know how many acres and what blocks, if the property is not managed as one block, you will be cutting on. Recognizing the variables, you might be looking at \$10,000 or so in the first harvest given our conservative management approach. This would also depend on a number of issues, not the least of which is accessibility. There is some very steep ground on which we estimate 20% might be available (the center block on the map in pink). A harvest could take place as soon as the management plan is finished.

I know this is vague, but the take home message here is to have a plan done for the property with an inventory.

Tom and I took a cursory look at the property. From that visit, we were impressed with portions of the property and less impressed with others. Overall though, we felt that if we owned the property with little invested, we could substantially improve the quality and growth on the property, setting it up well for the future, and afford the taxes on the property once enrolled in Tree Growth.

1. Again, given a vision for long-term management, when would a second entry be likely and what might the net income be from that harvest?

Answer - To speculate doesn't really provide you with a basis to make a decision. It depends largely on the management plan and expected or desired outcomes for the property. Lloyd could provide the Committee with some options for good silviculture and might be more comfortable answering these questions. As I mentioned at the meeting, we have one property that although it is 300+ acres, we do not manage it as one block. We manage small, non adjacent blocks, so entries since acquiring the property in 2011 have been yearly. Without a plan for management its difficult to determine a harvesting cycle. It would not be unreasonable though to have 10 years or more between entries. Net stumpage 10-15 years from the first entry would be difficult to determine but based on today's stumpage rates it would not be unreasonable to expect another \$8,000 - \$10,000 or so, depending on what ground was covered in the first entry and what was left for a later harvest. Guesswork without a plan and inventory.

Take a look at the plan for Winthrop - You will notice that even with a plan, the expected net income for each zone has a significant range. Its still guesswork, but educated guesswork with all the available information at the time the plan is written.

Hope it helps

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Bill Williams

Deputy Executive Director

Maine Woodland Owners

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Promoting sound forest management and
strengthening long-term woodland stewardship

On Tue, Aug 29, 2017 at 11:17 PM, Sue or Ken Spalding <Spaldings4@msn.com> wrote:

Hi Bill,

Thank you for visiting the Wayne property, developing your report, and meeting with us last night. The information you provided was very helpful.

I have a few more questions to make sure I have the record straight, as Secretary of our committee.

You indicated that an initial harvest could yield a net \$35,000. You cautioned that this could have a huge margin of error. That it could be \$5,000 or \$10,000 less, or it could be more. You also said that this would involve the entire parcel (essentially a liquidation cut?). You said that this would not be the way MWO would manage the property.

You also said that a second harvest in about 15 years would generate enough income to pay the taxes for that period. I neglected to record your estimate of what this dollar amount might be and I'm not sure if the second entry's net income was based on there being an initial harvest of the entire property or a harvest based on a long-term plan.

Questions:

1. Are any of my characterizations of what you said incorrect? If so, please correct me.
2. What would your estimate be for the net income on an initial harvest that is part of a long-term management plan (how MWO would manage it or recommend the town should manage it for the long-term)? Might the initial cut be done fairly soon? If not what would be an estimate of when it should be done?
3. Again, given a vision for long-term management, when would a second entry be likely and what might the net income be from that harvest?

Thanks again, Bill. I appreciate any clarification and additional information you can provide in addressing these questions.

Ken Spalding