

University of Colorado Law School

Colorado Law Scholarly Commons

Community-Owned Forests: Possibilities,
Experiences, and Lessons Learned (June 16-19)

2005

6-19-2005

SLIDES: The Downhill Lever of Current Forest Finance

Tom Tuchmann

Follow this and additional works at: <https://scholar.law.colorado.edu/community-owned-forests>



Part of the [Business Organizations Law Commons](#), [Forest Management Commons](#), [Land Use Law Commons](#), [Natural Resource Economics Commons](#), [Natural Resources and Conservation Commons](#), [Natural Resources Law Commons](#), [Natural Resources Management and Policy Commons](#), [Property Law and Real Estate Commons](#), [Public Administration Commons](#), [Public Policy Commons](#), [Recreation, Parks and Tourism Administration Commons](#), [State and Local Government Law Commons](#), and the [Urban Studies and Planning Commons](#)

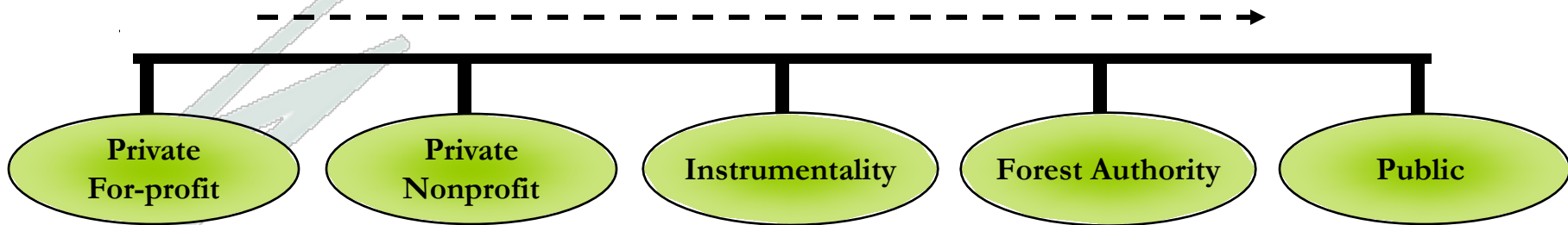
Citation Information

Tuchmann, Tom, "SLIDES: The Downhill Lever of Current Forest Finance" (2005). *Community-Owned Forests: Possibilities, Experiences, and Lessons Learned (June 16-19)*.
<https://scholar.law.colorado.edu/community-owned-forests/28>

Reproduced with permission of the Getches-Wilkinson Center for Natural Resources, Energy, and the Environment (formerly the Natural Resources Law Center) at the University of Colorado Law School.

Governance Options

Increasing public role



- Who owns the forest
- Who controls decisions
- How is it financed
- Where are revenues distributed

Examples of Financing Options

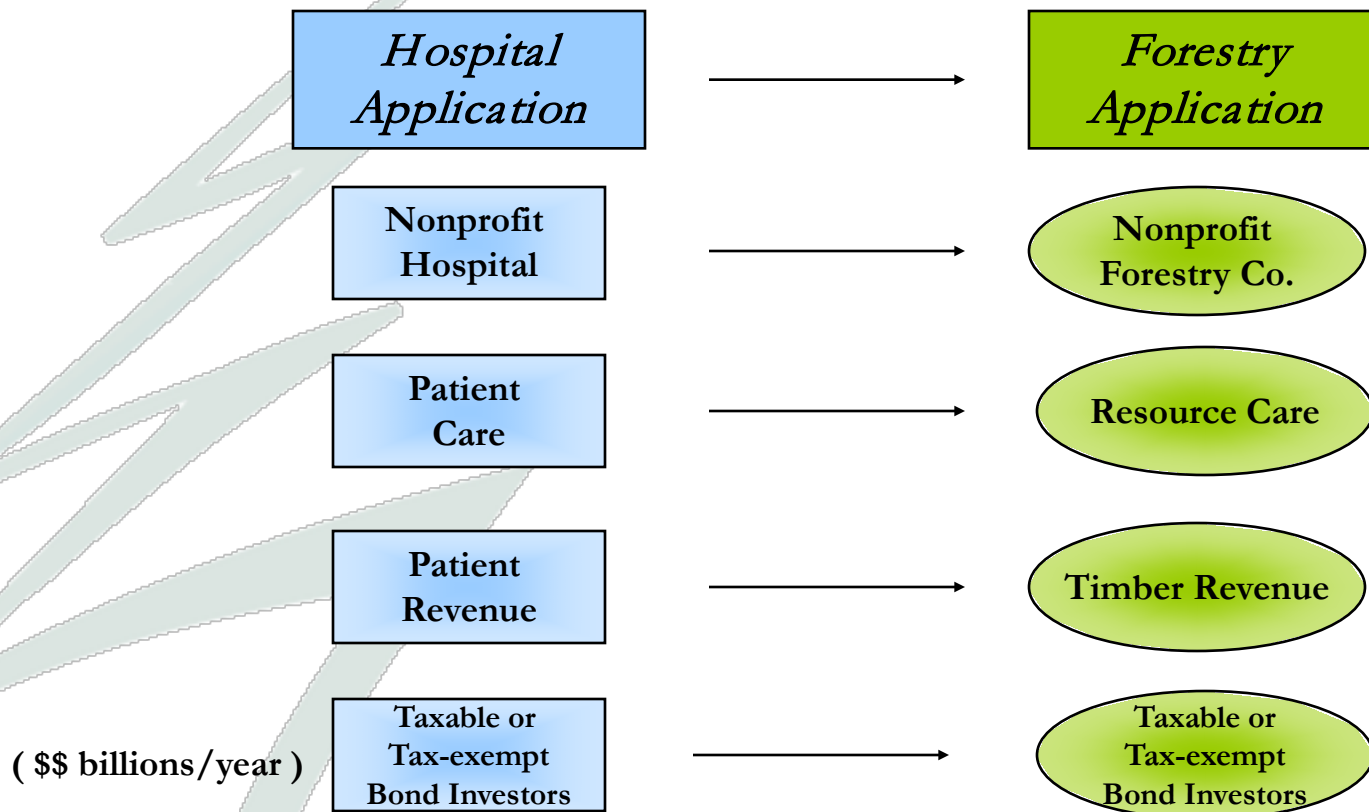
Goal – Opportunistically integrate options in a manner that raises purchase price & achieves community goals

- Private w/ commercial return
- Client buy back
- Revolving Loan Funds
- Tax incentives
- Fee and/or Easement Buy Down
- Taxable or Tax Exempt Revenue Financing
- Bonds for Property
- Public (*For leverage purposes*)



Community Forestry Bonds

Extrapolate existing revenue bond financing to forests



1 Example - What a Buyer Could Pay:

Municipal Rates at Work

Harvest Scenario	Municipal Rates @ 5.5% (PNV)	Commercial Rates @ 8.5% (PNV)
Light	\$58 million	\$46 million*
Medium	\$69 million	\$53 million*
Commercial	Not Applicable	\$69 million*

* These valuations include \$15 million in development value. For example, the commercial scenario had a PNV of \$54 million from timber cashflow + \$15 million from development value.

Source: Forest Analytics, White Salmon, Washington for: *Saving our Working Landscapes: Assessing a New Financing Tool for Farm and Forest Conservation*, Fox, Nancy and Eugene Duvernoy, King County Department of Natural Resources, Seattle, WA



