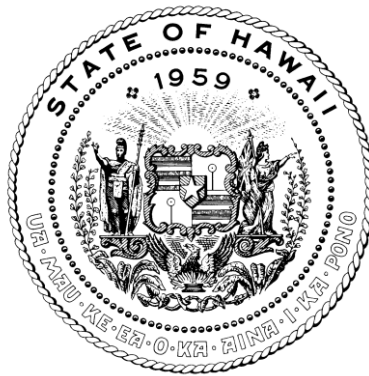


REPORT TO THE TWENTY-FIFTH LEGISLATURE  
REGULAR SESSION OF 2010

RELATING TO THE FOREST STEWARDSHIP PROGRAM



Prepared by

THE STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
DIVISION OF FORESTRY AND WILDLIFE

In response to Section 195F-6, Hawaii Revised Statutes

Honolulu, Hawaii  
November 2009

## RELATING TO THE FOREST STEWARDSHIP PROGRAM

### PURPOSE

This report complies with §195F-6, Hawaii Revised Statutes (HRS), and covers specific topics relating to the Forest Stewardship Program (Program) within the Department of Land and Natural Resources (Department). Act 195, Session Laws of Hawaii (SLH) 1993, established a dedicated funding source as a percentage of annual Conveyance Tax revenues that are deposited into the Natural Area Reserve Fund. This report includes actions taken during the period July 1, 2008 – June 30, 2009 as required to implement the statutory provisions of the Program.

### BACKGROUND

The Program became effective in July 1991 through Act 327 of the 1991 State Legislature. The Act authorized the Department to provide state funds to financially assist private landowners to manage, protect, and restore important natural forest resources on their forested and formerly forested properties. The Program enables private landowners to restore, conserve and actively manage important forest resources throughout Hawaii that provide vital public and private socioeconomic and environmental benefits and services. Private landowners own approximately one half of Hawaii's remaining forested areas. By establishing and maintaining this Program, the State recognizes that public-private partnerships are essential to the present and future conservation and health of our valued forest resources and Hawaii's natural environment as a whole. With the demise of Hawaii's primary agricultural industries, sugar and pineapple, the Program has and continues to encourage native resource conservation in these formally agricultural areas. It also serves to stimulate investment in forestry as a promising, economically viable land-use alternative that will supply a small but developing hardwood timber industry.

The primary goals of this Program are: watershed protection, conservation, high-value timber plantations, threatened and endangered species recovery, environmental education, and restoration of formerly fallow and/or degraded agricultural lands. To date 19,315 acres have approved Forest Stewardship Management Plans and are being managed as a result of this Program, including a total of 36 landowners (seven receiving financial assistance, 24 in the maintenance period of their project, one terminated contract, and four awaiting contract approval). The majority of landowners who are enrolled would not have been able to pursue their innovative land-use objectives without the technical and financial assistance that has been offered to them through this Program. There are four landowners in the process of developing long-term management plans that, once included into the Program, will add an additional 15,185 acres (Appendix 1).

The success of the Program is due largely to its ability to: 1) Include a wide variety of ecosystems, 2) Address many different forest management issues, and 3) Have no maximum size and a minimum of five acres eligible for this Program. This Program is one of the few in the State that has management areas ranging in sizes from approximately five to 8,500 acres.

Equally as diverse are the management objectives, which generally range from conservation of native habitats, high-value timber production, agroforestry crop production, watershed restoration, and finally educational and recreational opportunities. This Program is also ideal as a match for various federal landowner assistance programs, making the overall incentives for landowners to engage in restoration or conservation very enticing.

The thousands of acres of forest cover being established and/or maintained through the Program, largely on formerly degraded pastures or sugarcane lands, serve to enrich soils; reduce erosion; restore and protect important watersheds; and provide habitats for many important species. Landowners who are producing high-value timber for the local industry are also making a valuable contribution to the development of Hawaii's forest industry, creating jobs, perpetuating cultural practices and supporting a more diversified economy. All of the forest stewardship projects are in some way contributing to the overall health and productivity of Hawaii's forests as well as enhancing ecosystem services and economic potential.

## PLANNING and MANAGEMENT

The Department continues to identify ways to more effectively address landowner and state needs while maintaining accountability and furthering the overall long-term objectives of the Program. The Program's "Five Year Plan", available on the Department's web page at [www.hawaii.gov/dlnr/dofaw/forestry/fsp](http://www.hawaii.gov/dlnr/dofaw/forestry/fsp), outlines strategies for expanding the Program's environmental and economic impacts, while increasing landowner participation. The Department intends to dovetail a new review of the "Five Year Plan" with the Statewide Assessment of Forest Conditions and Resources Strategy (SWARS), detailed below.

The Hawaii Forest Stewardship Advisory Committee (Committee) reviews all landowner proposals and management plans submitted to the Program, and recommends those that are eligible and worthy of assistance, to the Board of Land and Natural Resources (Board). This Committee also oversees the Federal Forest Legacy Program. More information on the Forest Legacy Program can be found at [www.hawaii.gov/dlnr/dofaw/forestry/hflp](http://www.hawaii.gov/dlnr/dofaw/forestry/hflp). The Committee has also been directed by the 2008 Farm Bill to oversee, review and provide input on the Hawaii SWARS, which is mandatory for all states and United States (US) Affiliated Territories to complete and submit to the Secretary of Agriculture by June 18, 2010. After this date, all former US Forest Service Program plans, including Forest Stewardship, Forest Legacy and Urban & Community Forestry program guidance plans will be subsumed into SWARS. Equally important, in SWARS are the States' possible eligibility for future funding provided through the establishment of new programs outlined in the 2008 Farm Bill. More about SWARS and the implications it could have on funding in the future in Hawaii can be found at [www.hawaii.stateassessment.info](http://www.hawaii.stateassessment.info).

Under the Program, all successful state forest stewardship applicants enter into formal contract agreements with the Board for a term of no less than 10 years. Contract agreements clearly define applicant responsibilities and provide mechanisms to ensure applicant accountability. All landowner participants must commit and follow practices described in their Forest Stewardship

Management Plan, which are in compliance with the Department's Best Management Practices (BMPs) when preparing project sites for planting and harvesting any trees that are planted with program assistance. If commercial timber production or large-scale fencing projects are a management objective, participants must also, in adherence with Chapter 343, HRS, prepare an environmental assessment (EA) or other state and county compliance as appropriate.

The Program also follows the State Procurement Law by publishing advertisements for funding and legal notices "Request for Proposals" annually, and keeps an announcement on the State Procurement Website ([www2.hawaii.gov/bidapps/ShowBids.cfm?Isle=O](http://www2.hawaii.gov/bidapps/ShowBids.cfm?Isle=O)) as well as the Department's hosted Program website ([www.hawaii.gov/dlnr/dofaw/forestry/fsp](http://www.hawaii.gov/dlnr/dofaw/forestry/fsp)).

Landowners receive cost-share payments as reimbursements only after they complete and report on specific management practices as described in their approved management plans. Once such practices have been confirmed by Department staff, reimbursements are provided. Landowners are required to submit written reports with all related cost documented and completion of project components provided to the Department's Division of Forestry and Wildlife (DOFAW) every year to six months for the entirety of their project. All projects are periodically assessed, monitored and audited by DOFAW staff for adherence to approved budgets, program guidelines and approved management plan specifications. Occasionally, management plans and their associated contract agreements are amended to allow for unforeseen delays in the progress of the management plan or in order to adapt to damage to resources due to prolonged drought, flooding and/or large storms. DOFAW is always available for technical and programmatic guidance as needed.

#### PROGRAM DEVELOPMENT/OUTREACH

The Department has continued to address Program goals and assist applicants with Forest Stewardship Management Plan development and implementation. The Program has also continued to educate the public with regards to the important environmental and economic benefits and ecosystem services that our forest resources provide, when responsibly managed.

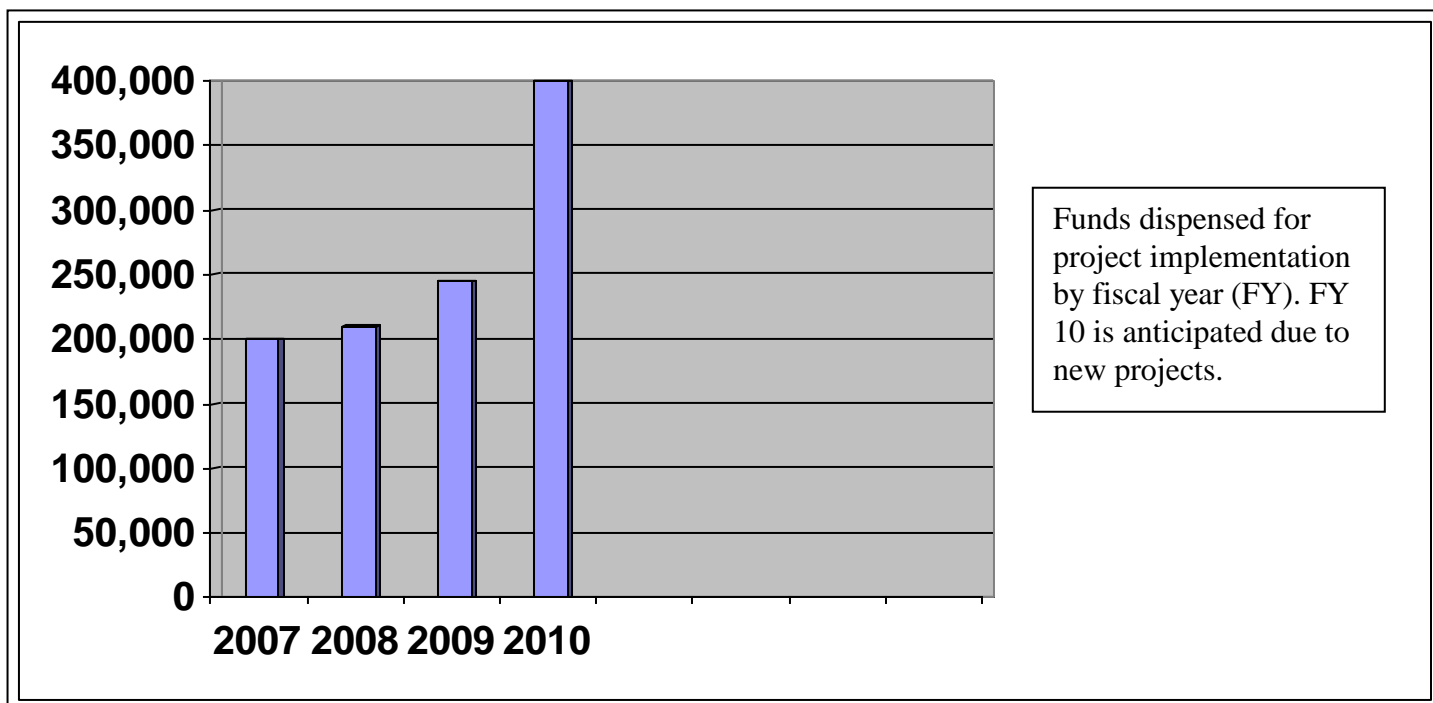
The Department continues to work successfully with other federal, state, and county agencies on all major islands to deliver assistance and information to landowners. The Program has distributed several hundred handbooks, fact-sheets and brochures to landowners and government agencies on all islands. The Department also contributes Program news updates to relevant agency and organizational newsletters, as well as periodic press releases to further educate partners and inform potentially interested landowners. The Program will continue to be advertised to reach landowners with various stewardship objectives on all islands. Additionally, the Department along with partners have worked to update the description of most landowner assistance programs available in the State (federal, state, and county), as well as the benefits each provides (Appendix 2). This information allows private landowners to investigate all program possibilities, and often utilize more than one program at a time (maximizing the potential for match fund requirements).

The Hawaii Forest Stewardship Handbook (Handbook) is updated at least every five years (last updated in October 2006) and provides information about program eligibility; enrollment and fiscal procedures; management plan requirements and specifications; practice criteria for cost-share assistance; practice specification guidelines; and accomplishment and reporting requirements. The Handbook and other forest stewardship information are available online on the Department’s web page at [www.hawaii.gov/dlnr/dofaw/forestry/fsp](http://www.hawaii.gov/dlnr/dofaw/forestry/fsp). This site has current stewardship project information with photos; stewardship application procedures; the Five-Year Plan, Annual Reports; frequently asked questions (FAQs) about the Program; links to complementary programs managed by DOFAW and other local agencies; and other relevant information. This site was recently upgraded so that it could be incorporated with DLNR’s webpage.

ACTIONS

There are currently 19,623 acres of private forestland in Hawaii that are being successfully managed for a variety of private and public forest products and benefits as a result of this Program. To date, the Department has entered into formal forest stewardship contract agreements with 32 landowners on the Islands of Kauai, Oahu, Maui, Lanai, Molokai, and Hawaii with four new clients ‘in progress’ of contract approval. See Appendix 1 for a concise listing of the history of all forest stewardship projects.

The following table illustrates landowner demands for the Program, and the corresponding funds supporting these demands since the Program’s establishment. For the forthcoming fiscal year, Program funding assistance is anticipated at \$400,000, which includes the initiation of three of the four ‘in progress’ contract agreements.



Landowners may experience difficulty following their management plan schedules and spending the funds designated for these practices due to temporary financial hardship, health problems, drought or heavy rain conditions, or other unexpected events. These slow production years are often balanced by good years during which projects progress more rapidly than planned. Although most forest stewardship contracts formally terminate after 10 to 30 years, the benefits of the management made possible through the Program will continue to accrue for decades.

Most projects have been very successful during this fiscal year period, including the completion of the Mendes Forest Stewardship project, a restoration effort on degraded agriculture land in Central Molokai. This project is converting degraded pastureland currently covered with highly invasive grasses, to a native dryland forest using new techniques including cloth windbreaks. The Mendes' constructed several windbreak totaling over 600 feet and 500 native trees. The wind has previously inhibited the growth of native plants due to high winds and low amounts of water. This project will continue to grow, serve as an educational example of restoration, and be protected under the maintenance portion of their contract agreement. Additionally, two new projects were started under the Program including the Honolua Wao Kele and the Conant Forest Stewardship project. The Honolua Wao Kele project is managed by Maui Land and Pineapple Company and seeks to restore a fallow pineapple field in West Maui; initiatives under this project will provide information on how to effectively and efficiently convert fallow lands to a native community. The Conant Forest Stewardship project protects an intact native ecosystem in Volcano from feral ungulate degradation, and will supplement the area with rare native species. This project is frequently highlighted by numerous educational and outreach events in the area. Additional projects approved for funding by the Forest Stewardship Advisory Committee include restoration of a rare dryland forest outside of Waikalua Village; native forest restoration and cultural education in Haiku Valley, Kaneohe; and native and exotic timber exploration along the Hamakua Coast.

As a result of continued public support and interest, DOFAW conducted Landowner Assistance Workshops on Kauai and Molokai. These workshops are designed to attract all eligible landowners who may not otherwise know about or understand the Program and others similar to it. The workshop on Kauai was held October 9, 2008 and Molokai on April 3, 2009. Five other workshops of this nature have been conducted by DOFAW staff on O'ahu and Hilo in 2006; Kona, Hawai'i in 2007; and Hilo and Maui in 2008.

## NEW PROGRAMS ASSOCIATED WITH FOREST STEWARDSHIP

### Conservation Reserve Enhancement Program

As an initiative of the Program to expand the available assistance to landowners for restoration of degraded agricultural lands and restoration of native habitats, the U.S. Secretary of Agriculture Ed Schafer and Governor Linda Lingle authorized the Hawaii Conservation Reserve Enhancement Program (CREP) on January 15, 2009. The U.S. Department of Agriculture (USDA) has agreed to partner with the State to administer Hawaii CREP for 15,000 acres across Maui, Hawaii, Molokai, Lanai, Kauai, and Oahu. The Hawaii CREP aims to provide farmers and

ranchers with a sound financial package for conservation and enhancement of the natural resources of Hawaii.

The Hawaii CREP is a twenty year incentive program that invites landowners and lease holders to enact watershed conservation practices on their land that will contribute toward achieving the State's identified watershed goals of enhancing stream water quality; reducing coral reef degradation and enhancing near shore coastal waters; increasing groundwater recharge; restoring native, threatened and endangered species habitat; and controlling the spread of invasive species in upland areas. Participants receive financial assistance from USDA for installing conservation practices on their land that include an annual rental payment, cost-share reimbursement, and additional incentive payments contributed from federal partners. To further promote Hawaii CREP, the State will provide participants with an additional annual rental payment, funds for conservation easement purchase, and/or cost-share reimbursement for specific practices that are either strongly encouraged or highly expensive to the landowner.

The State's commitment to USDA for the Program is to provide twenty percent of the total program cost; ten percent of which is paid directly to landowners (as detailed above) and ten percent that can be met by an in-kind contribution by the State. During the 2006 Regular Legislative Session, the Hawaii Legislature approved an increase in base funding for the Forest Stewardship Special Fund to support the ten percent match payable to landowners for the Hawaii CREP in the amount of \$250,000 annually. Funding for this special fund is authorized under §195F-4, HRS, and supported by conveyance tax revenue to financially assist landowners in managing, protecting, and restoring important natural resources in Hawaii's forested and formerly forested lands. The in-kind contribution portion will be contributed through current efforts by the Department, other state agencies, and partners that contribute to the Hawaii CREP goals through management activities, monitoring efforts, and/or administration of the Program. USDA has estimated that \$53 million will be contributed to the Hawaii CREP from federal sources, most of which will be spend during the first five years of the program implementation. The State required match will be contributed annually over the twenty year length of the Program estimated at \$6.7 million available to landowners enrolled in the Hawaii CREP, and \$6.7 million of in-kind management work on public resources. From April 2009 (date of announced sign-up) to date, 20 landowners or approximately 1300 acres have expressed interest in this Program and are currently working on completing their contract agreement.

### Spatial Analysis Program

The Spatial Analysis Program (SAP) is a USDA Forest Service funded program that enabled DOFAW to conduct an analysis of forest stewardship potential across the State. More information about this program and the results from this analysis can be found at <http://www.fs.fed.us/na/sap/products/hi.shtml>. Ronald Cannarella, the principle technician who conducted this analysis stated, *"SAP has provided the Department of Land and Natural Resources/Division of Forestry and Wildlife (DOFAW) a unique opportunity to collect and adapt disparate data sources into a cohesive data set for doing land suitability analysis. DOFAW is undertaking a review of their internal land management guidelines based on the methodology developed by SAP. We will commence the development of our State Assessment as required in the 2008 Farm Bill, again basing our methodology on SAP. DOFAW staff are being trained in the*

*use of ArcGIS and the Spatial Analyst extension so that they can utilize the models created during our SAP.”* The SAP will be included in the SWARS and is being explored as an evaluation tool for new landowners interested in the Program.

## PROGRAM CONSTRAINTS, RECOMMENDATIONS AND/OR CHANGES

### A. Changes in Program Administration:

1. With the addition of new forest stewardship clients, the Department of Attorney General recommended that the Department update the Forest Stewardship Agreement format to reflect changes in current requirements for state contracts. The Board approved this new format on December 12, 2008, and it is being used for new Forest Stewardship Agreements.
2. Due largely to the success of the landowner assistance workshops, the Department is being approached by increasing numbers of landowners interested in conservation, restoration, or timber production on their land. In order to ensure that the Program is getting the highest quality projects and to affectively administer state funds, especially over these next few years of decreased funding, the Committee is currently evaluating ranking criteria for review of all submitted proposals and management plans. Applications to date have been evaluated on an individual project basis; approving only the projects that are sound based on individual merits. This process has provided for a number of successful projects however, with an increasing demand and limited funding a new evaluation technique is needed. A new evaluation process will incorporate the use of SAP as described above. The Committee has recommended that the Program fund the projects and management plans that have already been approved, but will use a new evaluation process for any new Program projects.
3. Due to a number of Committee members' resignation, the Program advertised and selected three new Committee members representing the USDA Natural Resource Conservation Service (NRCS), a non-profit conservation organization, and a Watershed Partnership. Additionally, the Committee developed and adopted guidelines that establish protocols for recruitment of new members; member term lengths; member authority and responsibilities; officers and elections; termination procedures; and attendance.

### B. Recommended Changes for Fiscal Year 2010:

1. Hawaii Administrative Rules Title 13-109-8(c)(3), associated with the Program, does not currently allow federal funds (received by the same private landowner engaged in similar and/or related natural resource management goals) to be used as a match for State Forest Stewardship Program dollars. Program participants who are energetic and seek support from other programs should benefit for their efforts and be allowed to match federal and state dollars. Other state programs (e.g. Natural Area Partnership Program) currently allow the utilization of federal funds as a match for state dollars. A rule change is needed to allow state funded programs to utilize federal funds as a match when programs are identical in goals, yet do not overlap in specific practices.
2. Under the 2008 Federal Farm Bill, Forest Stewardship management plans are now eligible to receive federal cost-share funding under the Environmental Quality Incentive Program (EQIP) administered by USDA's NRCS. The EQIP program promotes agricultural production and environmental quality as compatible national goals and offers



financial and technical assistance to eligible participants with installation or implementation of management practices on eligible agricultural land, including non-industrial private forest lands. Forest land enrollment under EQIP to date has been underutilized and underrepresented nationally. To further expand this program to forest lands, EQIP may now accept state approved Forest Stewardship management plans as a supplement to NRCS's conservation planning process. The inclusion of the plans by NRCS allows USDA planners to expand EQIP quickly to available forest landowners and includes the State's forestry expertise into well developed projects. In order to use the Forest Stewardship Management Plan for EQIP, a number of items need to be consistent across the Forest Stewardship Management Plans and NRCS contract format (ie: definitions, terminology, and mapping among others). The Department and NRCS have been actively working towards drafting a Forest Stewardship/ NRCS template that will include all the necessary information for both programs. This draft template will be used for landowners interested in accessing either the state funded Forest Stewardship Program or NRCS' EQIP. Once the template is completed, the Department and NRCS will join in a memorandum of understanding (MOU) for the use of these two programs. This is an excellent opportunity to work with our federal partners to restore and manage important natural resources on private lands. The execution of the template and MOU is expected with the next year.

**State Forest Stewardship Projects**

With Active State Contracts

	<b>Name of Project/ Landowner</b>	<b>Date Enrolled</b>	<b>State Total</b>	<b>Funded to Date</b>	<b>Match to Date</b>	<b>Location</b>	<b>Size (Acres)</b>	<b>Management Practices</b>
1	Lanaihale Reforestation/ Castle & Cooke Resorts, LLC	May-01	\$750,000	\$533,919	\$664,938	Lanaihale, Lanai	3,588	Native forest and watershed restoration
2	Ku 'Ohi'a Laka/ Brezinsky	Jun-01	\$54,145	\$43,341	\$97,064	Kopu Farm Lots Mountain View, HI	39	Native forest restoration and educational trails
3	Ookala Community Forest/ Laupahoehoe Train Museum	Sep-02	\$75,354	\$63,698	\$79,852	Laupahoehoe, Big Island	13	Community demonstration of high quality timber species
4	Ola Honua Forest Mgnt/ Neaulani Inc.	Aug-05	\$532,991	\$65,397	\$153,224	East Maui - Hana	172	Native Forest Restoration, watershed protection, timber production
5	Ho'oulu 'Aina/ Kokua Kalihi Valley	Feb-08	\$355,520	\$124,744	\$179,151	Kalihi Valley, Oahu	30	Nature Park & native spp. restoration, stream buffer & restoration, cultural artifact protection & education
6	Honolua Wao Kele/ Maui Land & Pineapple	Nov-08	\$371,880	\$29,576	\$46,608	West Maui	30	Conversion of degraded ag land to native forest, upland erosion control
7	Conant	Feb-09	\$6,833	\$6,426	\$7,553	Volcano, Big Island	7	Native forest restoration, pig control
8	Waikalua Dry Forest Recovery WVOC	*Aug-09	\$465,382	0	0	Waikalua Village, Big Island	275	Dryland forest restoration, endangered spp protection, fire control, education
9	Hui Ku Maoli Ola/ Schirman	*Dec-09	\$408,150	0	0	Windward Oahu	30	Native restoration, education, & cultural artifact protection
10	Ahu Lani Sanctuary/ Lindelov	*Dec-09	\$86,200	0	0	Hamakua, Big Island	24	Native forest restoration and timber production research
11	Kealakekua Heritage Ranch	*June -10	\$750,000	0	0	Kealakekua, Big Island	8,544	Native reforestation, timber production, silvopastural, habitat improvement, education and trails

\* waiting contract approval

	<b>State Total</b>	<b>Paid to date</b>	<b>Match to date</b>	<b>Total Acres</b>
<b>PROJECT TOTALS</b>	<b>\$3,856,455</b>	<b>\$867,101</b>	<b>\$1,228,390</b>	<b>12,752</b>

## State Forest Stewardship Projects

In Project Maintenance Period

Appendix 1

	<b>Name of Project/Landowner</b>	<b>Date Enrolled</b>	<b>Total Funded</b>	<b>Landowner Match</b>	<b>Location</b>	<b>Size (Acres)</b>	<b>Management Practices</b>
1	Hawaii Rainforest Sanctuary/Bezona	Mar-02	\$27,436	\$34,863	Kailua-Kona, Hawaii	62	Native forest restoration & educational trail system
2	Green & Russo	Jan-02	\$25,647	\$32,054	Papaaloa, (Hamakua Coast)	17	High-value hardwood production
3	Dougherty	Jul-01	\$9,006	\$9,109	Ninole, Hawaii (Hamakua Coast)	17	Native forest restoration & silvopasture
4	Linda & Michael Larish	May-01	\$11,166	\$11,788	Kurtistown, Hawaii (Puna)	20	High-value hardwood production
5	Hamakua Hardwoods/Giardina	May-01	\$25,359	\$25,359	Papaaloa (Hamakua Coast)	17	High-value hardwood production
6	Kainalu Ranch/Dunbar	Jan-01	\$241,707	\$307,653	Kainalu Ahupuaa, East Molokai	141	High-value hardwood production & native forest restoration
7	Walter & Kathy Mendes	Feb-00	\$19,538	\$21,134	Hoolehua, Molokai (N central)	18	Native dryland forest restoration & traditional Hawaiian forest products
8	Allan Batesole	Feb-00	\$15,018	\$24,932	Anahola, Kauai	7	High-value hardwood production & understory crops
9	H&G Koa Enterprises, Inc./Hill	Jun-98	\$33,193	\$39,444	Paauilo, Hawaii (Hamakua Coast)	14	Acacia koa timber production
10	Kapaka Road Partnership	Mar-98	\$41,720	\$54,384	Princeville, Hanalei, Kauai	25	High-value hardwood production & integrated with house lot development
11	Hawaiian Mahogany, Inc./Cowern	Jan-98	\$698,237	\$1,204,183	Koloa, Kauai	954	High-value hardwood production
12	Maikai Ranch/Twigg-Smith	Jul-96	\$7,531	\$8,493	Holualoa, Hawaii	321	High-value hardwood production & native forest restoration
13	Umikoa Ranch/Matsuura	Feb-96	\$433,373	\$866,750	Kaala, Hawaii (upper Hamakua)	850	Acacia koa timber production & native forest/habitat restoration
14	Jack Zimmerman	Jul-95	\$43,203	\$46,170	Honoka'a, Hawaii (Hamakua Coast)	42	Silvopasture/agroforestry
15	Mark Kimball	Dec-95	\$83,417	\$92,794	Holualoa, Hawaii	156	High-value hardwood production & native forest restoration
16	Sam & Tanya Paltin	May-94	\$6,407	\$6,407	Wood Valley, HI (Kau District)	12	High-value hardwood production & native forest restoration
17	Kalopi Reforestation/Hancock	May-94	\$38,020	\$38,020	Kawaihae Uka (North Kohala)	65	Native forest restoration & silvopasture
18	Rex Provisor	Mar-94	\$31,185	\$35,615	Papa Area, Hawaii (South Kona)	18	Native forest restoration & education trails
19	Stephen Oldfather	Dec-93	\$4,767	\$4,767	Kahauhuna North Hilo, Hawaii	15	High-value hardwood production
20	Michael & Kili Matsui	Aug-93	\$5,935	\$5,923	Wood Valley (Kau District)	40	High-value hardwood production & native forest restoration
21	Wood Valley Community	Jul-93	\$21,550	\$21,550	Wood Valley, HI (Kau District)	34	High-value hardwood production & native forest restoration
22	Molokai Ranch	Jul-92	\$75,723	\$75,723	Puu Nana, Molokai (south west)	425	Watershed restoration & erosion control
23	Kaloko Mauka Cloud Forest	1990	\$87,500	\$128,450	Kaloko Mauka, Kona District	95	Native forest restoration
24	W.H. Shipman Nene	1990	\$10,000	\$10,000	South Hilo, Hawaii	50	Nene habitat restoration
			<b>Total Funded</b>	<b>Total Match</b>	<b>Total Acres</b>		
<b>Stewardship Totals</b>			<b>\$1,996,638</b>	<b>\$3,105,565</b>	<b>3,415</b>		

**State Forest Stewardship Projects**

Other Agreements

<b>Terminated</b>	<b>Date</b>	<b>Contract</b>	<b>Total</b>	<b>Landowner</b>	<b>Location</b>	<b>Size</b>	<b>Management</b>
<b>Name of Project/Landowner</b>	<b>Enrolled</b>	<b>Total</b>	<b>Funded</b>	<b>Match</b>		<b>(Acres)</b>	<b>Practices</b>
1 Honouliuli Preserve/ The Nature Conservancy of Hawaii	Oct-02	\$670,951	\$152,325	\$214,149	Waianae Mountains O'ahu	3,692	Native forest/habitat restoration

*\$130,000 reimbursed to State*

**Plans Developing**

<b>Name of Project/Landowner</b>	<b>State Total</b>	<b>Location</b>	<b>(Acres)</b>	<b>Practices</b>
1 Silversword Foundation / Kamehameha Schools	\$750,000	South Kona, BI	11,000	Protect & restore native habitat for the Palila - fence, construction, invasive spp control
2 Mary Ellen Houston	\$50,000	Kauai	8	Small woodlot, invasive. spp removal, restoration
3 Steel & Harte	\$100,000	Hamakua	12	Small woodlot, stream bank restoration, native forest restoration
4 Monoha'a Ranch	\$400,000	Kealahou, BI	473	Native forest restoration & silvopastural

*Projects are still developing their Forest Stewardship management plans*

<b>Total</b>	<b>Total Acres</b>
<b>\$1,322,325</b>	<b>15,185</b>

**Total Acres Involved in the Program** **35,044** \*includes all (active, in process, maintenance, & terminated projects)

**Total State Funds paid under Forest Stewardship Program (to date)** **\$3,016,064** \* includes active, maintenance, & terminated projects

**Total Landowner Match Contributed (to date)** **\$4,548,104** \*includes active, maintenance, & terminated projects

**Federal and State of Hawai'i Incentive Programs  
For Land Management on Private Lands  
February 24, 2009**

- This chart is intended to facilitate comparison of programs and provide contact information. It is neither complete nor authoritative.
- Some programs provide funding to both State and Private lands.
- Most cost-share programs **reimburse** landowners for a portion of their costs; payments are limited by (a) % or ratio of payment to match, (b) standard rates (caps) for eligible practices or (c) annual or project total maximums.
- Most programs have guidelines for what can qualify as the “match” for the cost-share. Funding from one program usually cannot match funding from another unless one program is non-Federal and the other is Federal.
- Generally, Federal and state cost-share payments need to be reported in tax returns and may or may not be taxable; search for “Cost-Share” in [www.timbertax.org](http://www.timbertax.org) or [www.timbertax.org/publications/aghandbook/aghandbook.asp](http://www.timbertax.org/publications/aghandbook/aghandbook.asp)

<b>Program name, &amp; Administering Agency</b>	<b>Purpose of Program</b>	<b>Eligibility Criteria</b>	<b>Incentives and/or Cost Share Levels</b>	<b>Time-Frame</b>	<b>Other Requirements</b>	<b>Contact</b>
State of HI Forest Stewardship Program (FSP)  <i>Division of Forestry &amp; Wildlife (DOFAW)</i>	Complete range of forest management activities, including: conservation, restoration, timber production, and plan development.	Private and privately leased “non-industrial forest landowners” (10-year minimum contract); minimum 5 contiguous acres in the FSP project.	50% cost-share, limited to \$75,000/year.	10 years of cost-sharing with a post 10 or more year maintenance period. Minimum 30-year contract if involves timber production.	Pre-proposal and land management plan required; payback provisions may be required for timber harvest. Onus on grantee to obtain any necessary permits, including EA’s or CDUP’s.	<b>Sheri S. Mann</b> (808) 587-4172 <a href="mailto:sheri.s.mann@hawaii.gov">sheri.s.mann@hawaii.gov</a> <a href="http://www.state.hi.us/dlnr/dofaw/hfsp">www.state.hi.us/dlnr/dofaw/hfsp</a>
Urban & Community Forestry - locally known as “Kaulunani”  <i>DOFAW USDA Forest Service (FS) funds</i>	Tree-planting in urban and community settings; educational programs; technical tree-care programs; Arbor Day activities.	Public or private lands with public access. No personal landscaping allowed.	Up to 50% cost-share. \$10,000/year is standard amount but exceptions are made for special projects.	Usually 1 year.	Must be a non-profit, tree advocacy or civic group, educational institution, and/or local or state government agency	<b>Teresa Trueman-Madriaga</b> (808) 672-3383 <a href="mailto:ttm@hawaii.rr.com">ttm@hawaii.rr.com</a> <a href="http://www.state.hi.us/dlnr/dofaw/kaulunani">www.state.hi.us/dlnr/dofaw/kaulunani</a>
Watershed Partnership Program  <i>DOFAW</i>	Cooperative projects that benefit on-the-ground activities protecting land for watershed conservation and implementing existing management plans negotiated under the Partnerships.	Landowner must inter into a MOU or agreement adopting the exiting management plan scope.	No mandatory cost-share requirement, but leveraging funds is encouraged.	Year-to-year as funds are available.	EA may be necessary. Onus on grantee to obtain any necessary permits. Reporting necessary.	<b>Lisa Ferentinos</b> (808) 587-0058 <a href="mailto:Lisa.ferentinos@hawaii.gov">Lisa.ferentinos@hawaii.gov</a> <a href="http://www.state.hi.us/dlnr/dofaw/wpp">www.state.hi.us/dlnr/dofaw/wpp</a>

<p>Conservation Reserve Enhancement Program (CREP)</p> <p><i>DOFAW, USDA -Farm Service Agency, NRCS</i></p>	<p>A federal-state natural resources conservation program that addresses state and nationally significant agricultural related environmental concerns. Participants remove cropland and marginal pastureland from agricultural production and convert the land to native grasses, trees and other vegetation.</p>	<p>Land must be physically and legally capable of being agriculturally productive. AGI limitation as defined by the Farm Bill does apply, however a case-by-case exemption is available for environmentally significant lands</p>	<ul style="list-style-type: none"> <li>▪ Annual rental payment ranging from \$43 to \$225/acre/yr. Plus State bonus \$17/acre/year.</li> <li>▪ 50% cost-share for practices and mid-contract management.</li> <li>▪ SIP up to \$100/acre.</li> <li>▪ PIP additional 40% reimbursable payment for select practices.</li> </ul>	<p>5 year enrollment period to sign-up 15,000 acres in Hawaii.</p> <p>Participants are required to enter into 15 year contracts with the State of Hawaii and USDA</p>		<p><b>M. Irene Sprecher</b>, DLNR-DOFAW (808) 587-4167 <a href="mailto:Melissa.I.Sprecher@hawaii.gov">Melissa.I.Sprecher@hawaii.gov</a> <a href="http://hawaii.gov/dlnr/dofaw/forestry/crep">http://hawaii.gov/dlnr/dofaw/forestry/crep</a></p> <p><b>Connie Laumann</b>, USDA-Farm Service Agency (808) 441-2704 ext. 145 <a href="mailto:Connie.Laumann@hi.usda.gov">Connie.Laumann@hi.usda.gov</a></p> <p><b>Mike Whitt</b>, USDA-NRCS (808) 541-2600 ext. 153 <a href="mailto:Michael.Whitt@hi.usda.gov">Michael.Whitt@hi.usda.gov</a></p>
<p>North American Wetland Conservation Act (NAWCA)</p>	<p>preserving and/or restoring wetland ecosystems that contribute to waterfowl habitat recovery</p>	<p>CE or Fee title</p>	<p>50/50 match</p>	<p>Up to \$75,000 a year – apps due late Oct.</p> <p>Up to \$1m apps due Feb?</p>		<p><b>Jane Rubey</b> - State Coordinator Hawaii Wetland Joint Venture 808-217-6658 <a href="mailto:Rubey@pcjv.org">Rubey@pcjv.org</a></p>
<p>Partners for Fish &amp; Wildlife</p> <p><i>US F&amp;WS</i></p>	<p>(1) Restore natural habitats and provide long-term benefits to threatened and endangered species; or (2) satisfy the needs of wildlife populations on National Wildlife Refuges</p>	<p>Private lands and Hawaiian Homelands</p>	<p>Up to 50% cost-share; technical assistance also provided</p>	<p>10-year minimum commitment</p>	<p>Projects cannot be used to fulfill mitigation requirements</p> <p>Onus on grantee to obtain any necessary permits.</p>	<p><b>Benton Pang</b> (808) 792-9443 <a href="http://pacificislands.fws.gov/worg/orghc_partners.htm">http://pacificislands.fws.gov/worg/orghc_partners.htm</a> <a href="http://partners.fws.gov/pdfs/05partnersgrants.gov.pdf">http://partners.fws.gov/pdfs/05partnersgrants.gov.pdf</a></p>
<p>Safe Harbor Agreements</p> <p><i>US F&amp;WS</i></p>	<p>Proactive natural resource management to benefit endangered and threatened species.</p>	<p>Private and public lands</p>	<p>Provides regulatory assurances that future property-use restrictions will not be imposed</p>	<p>5-15 year commitment</p>	<p>Activities must meet “net conservation benefit” criteria for species</p>	<p><b>Chris Mullen</b> (808) 792-9400 <a href="http://endangered.fws.gov/recovery/harborqa.pdf">http://endangered.fws.gov/recovery/harborqa.pdf</a></p>
<p>Coastal Program</p> <p><i>US F&amp;WS</i></p> <p>VIA DOFAW</p>	<p>Focused efforts in bays, estuaries and watersheds around the U.S. coastlines. The purpose is to conserve fish and wildlife and their habitats to support healthy coastal ecosystems.</p>	<p>Provides funding for 22 high-priority coastal ecosystems. See website for a list of those.</p>	<p>Generally 3 to 1 match.</p>		<p>Projects cannot be used to fulfill mitigation requirements or for land purchase, but funds are available to facilitate purchase i.e. appraisals &amp; due diligence needs. Subject to Yellow Book appraisal and review.</p>	<p><b>Chris Swenson</b> (808) 792-9458 <a href="http://www.fws.gov/coastal/CoastalProgram/">www.fws.gov/coastal/CoastalProgram/</a> <a href="http://ecos.fws.gov/coastal_grants/viewContent.do?viewPage=home">http://ecos.fws.gov/coastal_grants/viewContent.do?viewPage=home</a> <a href="mailto:Chris_swenson@fws.gov">Chris_swenson@fws.gov</a></p>
<p>Wildlife Habitat Incentives Program (WHIP)</p> <p><i>USDA Natural Resource Conservation Service (NRCS)</i></p>	<p>Restoration of unique native habitats, especially for threatened and endangered plant and animal species; priority habitats for Hawaii include native forests.</p>	<p>Private or leased land; state and county lands also eligible</p>	<p>Up to 75% cost share</p> <hr/> <p>Up to 100% cost-share</p>	<p>5-10 year contract</p> <hr/> <p>15-year contract</p>	<p>Primary goal may not be commercial production.</p> <p>Onus on grantee to obtain any necessary permits.</p>	<p><b>Gwendolyn S. Gilbert</b> Phone: (808) 541-2600 Ext. 122 Email: <a href="mailto:gwen.gilbert@hi.usda.gov">gwen.gilbert@hi.usda.gov</a></p> <p><b>Kent Matsutani</b> Phone: (808) 541-2600 extension 149 Email: <a href="mailto:kent.matsutani@hi.usda.gov">kent.matsutani@hi.usda.gov</a></p>

Conservation Innovation Grants (NRCS)						Michael Whitt
Healthy Forest Reserve Program (NRCS)						Greg Koob
Environmental Quality Incentives Program (EQIP) NRCS	Priority resource concerns pertinent to forestry include: (1) sedimentation from accelerated erosion; (2) noxious weeds; (3) at-risk species habitat; (4) invasive species	Private or State owned land 5-10+ year lease: cropland, rangeland, pasture, forest, other farm or ranch land	Up to 75% cost-share	3-year cost-share agreements	Applicants must be persons actively engaged in livestock or agricultural [or forest] production  Onus on grantee to obtain any necessary permits.	<b>Shirley Nakamura</b> (808) 541-2600 Ext. 112 <a href="http://www.hi.nrcs.usda.gov/programs/eqip_and_gswc.html">www.hi.nrcs.usda.gov/programs/eqip_and_gswc.html</a>
Clean Water Act Section 319 Grants for Dept of Health administers funds via EPA	State Non-Point Source Agencies. Projects focused on reducing non-point source pollution.	State, private, communities, cities, counties, non-profits, etc.	50/50 Cost Share	Generally 24 to 36 months	Priorities vary annually i.e. Could be specific watersheds or streams, etc.  Onus on grantee to obtain any necessary permits.	<b>Hudson Slay</b> (808) 586-4436 <a href="http://www.epa.gov/owow/nps/cwact.html">www.epa.gov/owow/nps/cwact.html</a>
Doris Duke Foundation / Wildlife Conservation Society	Bring nonprofit conservation organizations and state wildlife agencies together for small but essential projects that address what states have identified as their top conservation priorities					<b>DDF: Douglas Meyer</b> 202-329-3299 ( <a href="http://www.ddcf.org">www.ddcf.org</a> ) <a href="mailto:environment@bernuthconsulting.com">environment@bernuthconsulting.com</a> <b>WCS: Darren Long</b> at 406-556-7203 or <a href="mailto:dlong@wcs.org">dlong@wcs.org</a>
Hawaii Tourism Authority						

Acronyms: EA – Environmental Assessment, CDUP – Conservation District Use Permit, EPA – Environmental Protection Agency

### Federal and State of Hawai'i Land Acquisition Programs

Program Name & Administering Agency	Purpose of Program	Eligibility Criteria	Incentives and/or Cost Share Levels	Time-Frame	Other Requirements	Contact
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<p>Forest Legacy Program</p> <p><i>DOFAW via FS funds</i></p>	<p>Preclude conversion of forestland to non-forest uses.</p>	<p>Private landowner that is a willing seller, currently 75% forested and threatened by development or fragmentation; must fall within designated “Forest Legacy Areas”.</p>	<p>Federal funds available to purchase up to 75% of market value of a conservation easement or fee simple acquisition. Carries potential tax benefits.</p>	<p>Applications Due – August 20<sup>th</sup></p> <p>Acquisitions Permanent</p>	<p>Subject to competitive prioritization at state, regional, and national levels. Requires FSP Plan; may require EA and CDUP. Subject to Yellow Book standard appraisal and review.</p>	<p><b>Sheri S. Mann</b> (808) 587-4172 <a href="mailto:Sheri.s.mann@hawaii.gov">Sheri.s.mann@hawaii.gov</a>  <a href="http://www.state.hi.us/dlnr/dofaw/Legacy">www.state.hi.us/dlnr/dofaw/Legacy</a></p>
<p>Recovery Land Acquisition</p> <p><i>F&amp;WS</i></p> <p>Via DOFAW</p>	<p>Acquisition of fee title or conservation easement for protecting habitats essential for recovery of listed species before development or other land use changes impair or destroy key habitat values.</p>	<p>Private land willing seller in support of approved species recovery plans.</p>	<p>75% cost-share</p>	<p>Applications Due –</p> <p>Acquisitions are Permanent</p>	<p>Subject to Yellow Book standard appraisal and review. Regionally competitive.</p>	<p><b>Craig Rowland</b> (808)-792-9450 <a href="mailto:Craig_rowland@fws.gov">Craig_rowland@fws.gov</a>  <a href="http://www.fws.gov/endangered/grants/section6/FY2006/RFP.pdf">www.fws.gov/endangered/grants/section6/FY2006/RFP.pdf</a></p>
<p>National Coastal Wetland Conservation Grant Program</p> <p><i>F&amp;WS</i></p>	<p>Provides matching grants to States for acquisition, restoration, management or enhancement of coastal wetlands.</p>	<p>Projects are selected based on ranking factors: 1. Consistent with the National Wetlands Priority Conservation Plan; 2. Located in States with dedicated land acquisition programs; and 3. Located in maritime forests on coastal barrier islands.</p>	<p>Program fact sheet – <a href="http://ecos.fws.gov/docs/coastal_grants/web/pdf/1135.pdf">http://ecos.fws.gov/docs/coastal_grants/web/pdf/1135.pdf</a></p>		<p>Additional ranking include credit to projects benefiting threatened and endangered species, promote partnerships, and support conservation &amp; recovery. Program will not provide grants to support planning, research, monitoring, or construction or repair of structures for recreational purposes.</p>	<p><b>Chris Swenson</b> (808) 792-9458  <a href="http://ecos.fws.gov/coastal_grants/viewContent.do?viewPage=home">http://ecos.fws.gov/coastal_grants/viewContent.do?viewPage=home</a></p>
<p>Habitat Conservation Plan (HCP) Land Acquisition</p> <p><i>F&amp;WS</i></p> <p>Via DOFAW</p>	<p>Acquisition of land that have important benefits for ecosystems that support listed, proposed and candidate species.</p>	<p>Land must be associated with approved HCPs.</p>	<p>25% of estimated project cost; or 10% when two or more States or Territories implement a joint project</p>	<p>Permanent</p>	<p>Nationally Competitive. Subject to Yellow Book appraisal and review.</p>	<p><b>Heather Hollis</b> <a href="mailto:Heather_hollis@fws.gov">Heather_hollis@fws.gov</a></p>
<p>Army Compatible Use Buffers Program</p> <p>Formerly: Private Lands Initiative Program</p> <p><i>US Army</i></p>	<p>Available for NGO or state/local agency to purchase a portion of land (titles or conservation easements). Helps the Army meet Endangered Species Recovery Act and prevention of future T&amp;E species listings.</p>	<p>Private landowner that is a willing seller near Army lands. Another source of funds should be identified because this program does not provide funds for an entire purchase.</p>	<p>Possible reduced land taxes.</p>	<p>Permanent</p>	<p>Army may use the land for low-impact training.</p>	<p><b>John Housein</b> (410) 436-6465 <a href="mailto:John.housein@us.army.mil">John.housein@us.army.mil</a> Hawaii contact: <a href="mailto:alvin.char@us.army.mil">alvin.char@us.army.mil</a> <a href="http://aec.army.mil/usaec/natural/natural03a.html">http://aec.army.mil/usaec/natural/natural03a.html</a></p>



<p><b>Wetlands Reserve Program</b></p> <p><i>NRCS</i></p>	<p>Offers landowners an opportunity to establish long-term conservation and wildlife practices and protection by restoring, and enhancing wetlands on private property.</p>		<p>Provides technical and financial support to help landowners with their wetland restoration efforts.</p>			<p><b>Jan Surface</b> WRP Program Manager (808) 541.2600 Ext. 153 <a href="mailto:Jan.Surface@hi.usda.gov">Jan.Surface@hi.usda.gov</a></p>
<p><b>Grassland Reserve Program</b></p> <p><i>NRCS</i></p>	<p>Participants voluntarily limit future use of the land while retaining the right to conduct common grazing practices; produce hay, mow, or harvest for seed production; conduct fire rehabilitation; and construct firebreaks and fences.</p>	<p>Minimum of 40 contiguous acres. There is no maximum acreage. Private landowners only.</p>	<p>This is a conservation easement in perpetuity. Easement payments for this option equal the fair market value, less the grazing value of the land encumbered by the easement. These values will be determined using an appraisal process.</p>	<p>10 - 30 year agreements</p>	<p>Required to follow a conservation plan developed by NRCS and the participant to preserve the integrity of the grassland. If restoration is determined necessary by NRCS, a restoration agreement will be incorporated within the rental agreement or easement</p>	<p><b>Joseph May</b>, State Range Management Specialist (808) 885-6602 Ext. 102 <a href="mailto:Joseph.May@hi.usda.gov">Joseph.May@hi.usda.gov</a></p>
<p><b>Farm and Ranchland Protection Program</b></p> <p><i>NRCS</i></p>	<p>Purchase easements or other interests in land from landowners to keep productive farm and ranchland in agricultural uses.</p>	<p>Must be part of a pending offer from a State, tribe, or local farmland protection program; be privately owned; and have surrounding parcels of land that can support long-term agricultural production. Must have a conservation plan for highly erodible land.</p>	<p>Up to 50% cost-share. Possible reduced land taxes.</p>	<p>Permanent</p>	<p>Subject to Yellow Book standard appraisal and review; must be large enough to sustain agricultural production; be accessible to markets for what the land produces; have adequate infrastructure and agricultural support services.</p>	<p><b>Paul Scales</b> (808) 541-2600 Ext. 108 <b>Mathew Wung</b> (808) 885-6602 Ext. 106 (Waimea, Hawaii) <a href="http://www.nrcs.usda.gov/programs/frpp/">www.nrcs.usda.gov/programs/frpp/</a></p>
<p><b>Coastal and Estuarine Land Conservation Program</b></p> <p><i>National Oceanic and Atmospheric Administration (NOAA)</i></p>	<p>Protects coastal and estuarine lands considered important for their ecological, conservation, recreational, historical or aesthetic values.</p>	<p>Coastal states with approved coastal zone management plans or National Estuarine Research Reserves are eligible for CELCP.</p>	<p>Provides states and local governments with matching funds to purchase significant coastal and estuarine lands, or conservation easements on such lands from willing sellers.</p>	<p>Lands purchased are protected in perpetuity.</p>	<p>Title must be held by appropriate state agency.</p>	<p><b>Doug Tom</b> (808) 587-2820 <a href="mailto:dtom@dbedt.hawaii.gov">dtom@dbedt.hawaii.gov</a>  <a href="http://coastalmanagement.noaa.gov/land/welcome.html">http://coastalmanagement.noaa.gov/land/welcome.html</a></p>
<p><b>State of HI Legacy Land Conservation Fund</b></p> <p><i>DOFAW</i></p>	<p>Provides for the acquisition of lands, including easements.</p>	<p>Lands for watershed and habitat protection, parks, coastal area, natural areas, agricultural production, cultural or historical sites, recreation and public hunting</p>	<p>County agency or nonprofit land conservation organization grant recipients must provide match funds of at least 25% of the total project costs.</p>	<p>Permanent</p>	<p>Intended for state agencies, counties, and non-profit land conservation organizations seeking funding to acquire property.</p>	<p><b>Molly Schmidt</b> (808) 586-0921 <a href="mailto:Molly.e.schmidt@hawaii.gov">Molly.e.schmidt@hawaii.gov</a> <a href="http://www.hawaii.gov/dlnr/dofaw/lcp">www.hawaii.gov/dlnr/dofaw/lcp</a></p>

Pacific Coast Joint venture						Hawaii Branch Coordinator - Jean Rudy <a href="mailto:aloha@earthlink.net">aloha@earthlink.net</a> ,
Natural Areas Partnership Program (NAPP)  <i>DOFAW</i>	Protection, restoration and enhancement of significant native resources or geological features	Private landowner who is a willing seller with intact native Hawaiian ecosystems, essential habitat for endangered species, and areas within the protective (P) subzone of the Conservation District; applicant may be cooperating entity managing such lands.	Up to 67% cost-share. Possible reduced land taxes.	Permanent dedication through transfer of fee title or conservation easement.	Development of long-range agreements and management plans; requires EA.  Onus on grantee to obtain any necessary permits.	<b>Randy Kennedy</b> (808) 587-0054 <a href="mailto:randall.w.kennedy@hawaii.gov">randall.w.kennedy@hawaii.gov</a> <a href="http://www.state.hi.us/dlnr/dofa/w/napp">www.state.hi.us/dlnr/dofa/w/napp</a>

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### Federal and State of Hawai'i Tax Related Incentive Programs

Program Name & Administering Agency	Purpose of Program	Eligibility Criteria	Incentives and/or Cost Share Levels	Time-Frame	Other Requirements	Contact
Tree Farm Designation  <i>DLNR - DOFAW</i>	Sustained production of forest products in quantity sufficient to establish a business	Private property or minimum 20 year lease	“Right to Harvest” law applies.  Land will be taxed based on Agriculture zoning.		Management Plan approved by DLNR Board.	Michael Constantinides (808) 587-4186 <a href="http://www.capitol.hawaii.gov/hrscurrent/Vol03_Ch0121-0200D/HRS0186/HRS_0186-0002.htm">www.capitol.hawaii.gov/hrscurrent/Vol03_Ch0121-0200D/HRS0186/HRS_0186-0002.htm</a>
Federal income taxes  <i>Internal Revenue Service</i>	Planting for timber production ----- Timber sales	Private enterprises ----- Private enterprises	Deduction or amortization of planting costs - up to approximately \$10,000 ----- Long-term capital gains treatment	Amortize over 7 years ----- Timber held over 1 year	----- Must establish basis	<a href="http://www.fs.fed.us/r8/spf/coop/taxation/">www.fs.fed.us/r8/spf/coop/taxation/</a> <a href="http://www.timbertax.org/">www.timbertax.org/</a>
Property tax treatment  <i>City &amp; County of Honolulu</i>	Tree Farming	Private Property or minimum 20-year lease; minimum 10 acres	Agricultural Property Tax Reduction (1-5% of fair market value, depending upon length of dedication)	1, 5 or 10-year dedications	HRS 186 Tree Farm Designation (see above)	Real Property Assessment Division (808) 527-5510 or 5539 <a href="http://www.co.honolulu.hi.us/rpa/chapter8.pdf">www.co.honolulu.hi.us/rpa/chapter8.pdf</a> Scroll down to page 24 in pdf- “Section 8-7.3 “Dedication of Lands for Agricultural Use”

<b>Agricultural Property Tax Reduction</b>	Commercial tree farms	Private property or lease; minimum 5 years acceptable previous agricultural land use; agricultural condominiums not eligible	Tax assessment 50% of fair market value	20-year dedication; 10-year dedications <u>might</u> be allowed for short-rotation tree farms	Tree farm management plan and other information.	Real Property Assessment Division (808) 241-6222 <a href="http://www.kauai.gov/realproperty">http://www.kauai.gov/realproperty</a>
<b>Agricultural Property Tax Exemption</b> <i>Kaua'i County</i>	Tree farms	Private property or lease; minimum 10 acres; land in urban district not eligible	\$1000/parcel/year with a 10 year dedication and \$500/parcel/year with a 20 year dedication.	Harvesting must take place 6-25 years after planting		
<b>Agricultural tax rates</b> <i>Hawai'i County</i>	Commercial tree farming ("Fast Rotation Forestry" and "Slow Rotation Forestry")	Private property	Agricultural Property Tax Reduction; rates based on crop and productivity	Depends on dedication and time frame		Real Property Tax Division – Appraiser (808) 961-8354 <a href="http://www.hawaiipropertytax.com">www.hawaiipropertytax.com</a> Click "Forms & Instructions," then "Miscellaneous," then "Agricultural Use" links
<b>Native Forest Dedication</b> <i>Hawai'i County (Kauai County was removed from this program in 1999)</i>	Preservation, restoration, and conservation of native forest (defined as at least 25% tree cover and 60% cover of native forest species)	Private property or lease of at least 20 yrs, minimum 3 acres	Low tax assessments, same as for pasture	20 year agreement to use land as native forest	Forest management plan; written affidavit from recognized forestry professional that restoration plan is likely to succeed within the designated time period	Mike McCall, Wes Takai (808) 961-8260 <a href="http://www.hawaiipropertytax.com">www.hawaiipropertytax.com</a> Click "Forms & Instructions," then "Miscellaneous," then "Native Forest Dedication"
<b>Property tax treatment</b> <i>Maui County</i>	Tree farms (not specifically addressed in Code, but could be considered "crop")	Private property or lease; minimum 5 years' acceptable previous agricultural land use	Tax assessment 50% of fair market value	20-year dedication; 10-year dedications <u>might</u> be allowed for short-rotation tree farms	Petition Director of Finance	Real Property Tax Division (808) 270-7297 <a href="http://ordlink.com/codes/maui/index.htm">http://ordlink.com/codes/maui/index.htm</a> Scroll down to "Article 7. Valuations, then click "3.48.350 Dedicated Lands" links

Adapted from original document March 2005

**Authors:**

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