

# Planning Your Woodland Legacy: Intact, In Forest and In Family Ownership



February 27, 2020

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## Questions

- Do you want your woodland to stay intact, in forest, and in family ownership?



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# Planning Your Woodland Legacy: Intact, In Forest and In Family Ownership



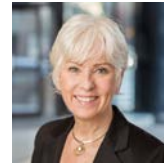
Mike Santucci



Jennifer Gagnon



Adam Downing



Jennifer Jones



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# What is Legacy Planning and Why?

Adam Downing  
District Forestry & Natural Resource Agent  
Virginia Cooperative Extension



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## Legacy Planning: What & Why

- It **isn't** Estate Planning
- It **is** inclusive of an Estate Plan and other Essential Documents AND
- It **is** a continual process
  - It **isn't** Fun
- It **is** Rewarding & Important



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## Importance of being “IN”


INtact

IN Forest

IN Family  
Ownership





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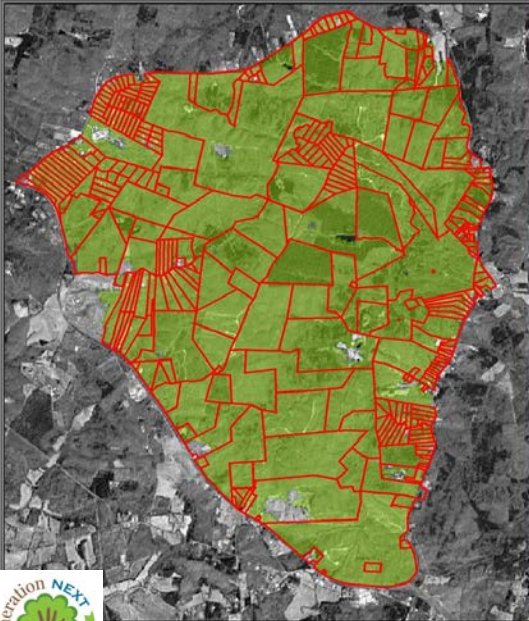


## Why: Intact

- Economies of scale, i.e. “manageable”
- Maintain options
- Economics:
  - GDP: billions of \$
  - Jobs: Hundreds of thousands
    - 1 in ~40 workers (VA)
  - \$ Value added
    - \$1 in stumpage = \$41.82 value added (VA)
- Fragmentation: two sides

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### FOREST PARCELIZATION

*Ownership Patterns affect Forest Fragmentation*

7,500 Acre Forest Patch

328 Ownership Parcels  
22 Acre Average

Range:  
0.07 Acre  
to 518 Acres

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## Why: In forest



- We “value” forests
  - Recreational dollars (2.4 billion)
  - Ecosystem services (6.4)
- Dependence: on the goods & services of forests
  - Renewable resource (fiber)
  - Air & Water Quality
  - Emotional health



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## In Family Ownership

- Family Forestland -- Passion
- Intrinsic and Extrinsic value
- A vehicle for:
  - Family wealth
  - Family values



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## Why: In, In, In?....

Conservation Tool	In Forest	Intact	In the Family
None			
Forest Stewardship Management Plan	x	x	
Land Use	x	x	
Ag & Forestal District	x	x	
Conservation Easement	x	x	
Woodland Legacy Planning	x	x	x

The longest lasting tool in your box to achieve your goals



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# 9 Steps to Successful Legacy Planning

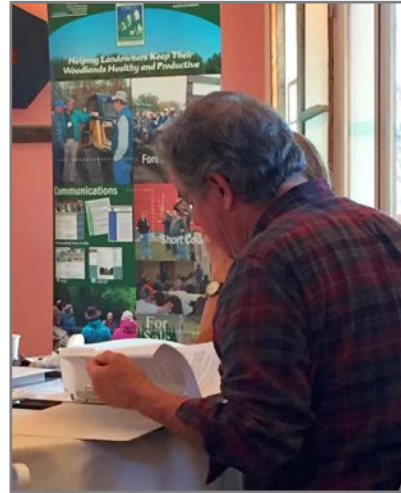
Jennifer Gagnon  
 Extension Associate  
 Virginia Tech



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## 9 Steps to Successful Legacy Planning

1. Commit to beginning the process and stay committed



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## 9 Steps to Successful Legacy Planning

2. Determine your family assets



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## 9 Steps to Successful Legacy Planning

3. Write down your goals for your land



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## 9 Steps to Successful Legacy Planning

4. Hold family meetings to share your passion and goals



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## 9 Steps to Successful Legacy Planning

5. Gather/create essential documents



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## 9 Steps to Successful Legacy Planning

6. Establish your succession planning team



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## 9 Steps to Successful Legacy Planning

7. Determine what tools are available to help you meet your goals



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## 9 Steps to Successful Legacy Planning

8. Provide opportunities for your family to learn about and enjoy your woodlands.



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## 9 Steps to Successful Legacy Planning

9. Revisit your plan on a regular basis and adapt as necessary



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# Essential Documents

Mike Santucci  
Forestland Conservation Manager  
Virginia Department of Forestry



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## Essential Documents

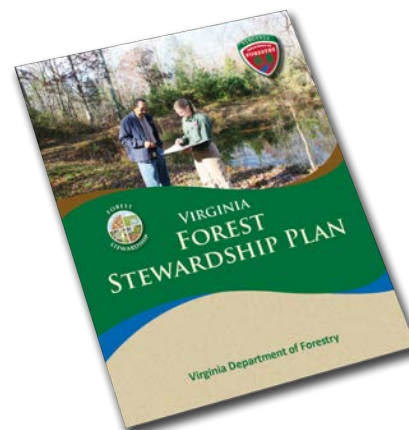
- Property Information
- Family/Heir Information
- Other Documents
  
- Benefits:
  - Focus effort
  - Clarify intent
  - Save money
  - Family unity



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## Forest Management Plan

- Vision & Goals
- Resource Assessment
- Map
- Recommendations



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# Wooded Property & Estate Overview

## Worksheet 1 - Wooded Property and Estate Overview

### Property Information

Address/Location: \_\_\_\_\_  
 \_\_\_\_\_  
 County: \_\_\_\_\_ Total Acres: \_\_\_\_\_ Wooded Acres: \_\_\_\_\_  
 Date of Last Appraisal: \_\_\_\_\_ Last Appraised Value of Property: \_\_\_\_\_  
 Estimated Current Value: \_\_\_\_\_  
 Holder(s) of title: \_\_\_\_\_  
 Amount owed: \_\_\_\_\_ Value of standing timber: \_\_\_\_\_  
 Most recent timber cruise: \_\_\_\_\_ Distance from nearest incorporated city: \_\_\_\_\_  
 Is there a management plan? \_\_\_\_\_ General property manager: \_\_\_\_\_  
 Employees: \_\_\_\_\_  
 \_\_\_\_\_  
 Contractors: \_\_\_\_\_  
 \_\_\_\_\_  
 Neighboring uses: \_\_\_\_\_  
 \_\_\_\_\_

### Acresage Total

Parcel ID	Tax Map ID	Acres	Zoning	Date Acquired	Current Value	Basis



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# Who Does What on Your Land?

- Responsible parties
- Pertinent information

**Who Does What On Your Land?**  
Developing an overview of the management of your land

**Jobs on Your Land**

Job Title	Who	Job Description	Decisions Making? If yes, what types of decisions	When
Manager of this Land				
Bookkeeper				
Land Maintenance				

**The Professional You Work With (include all that apply)**

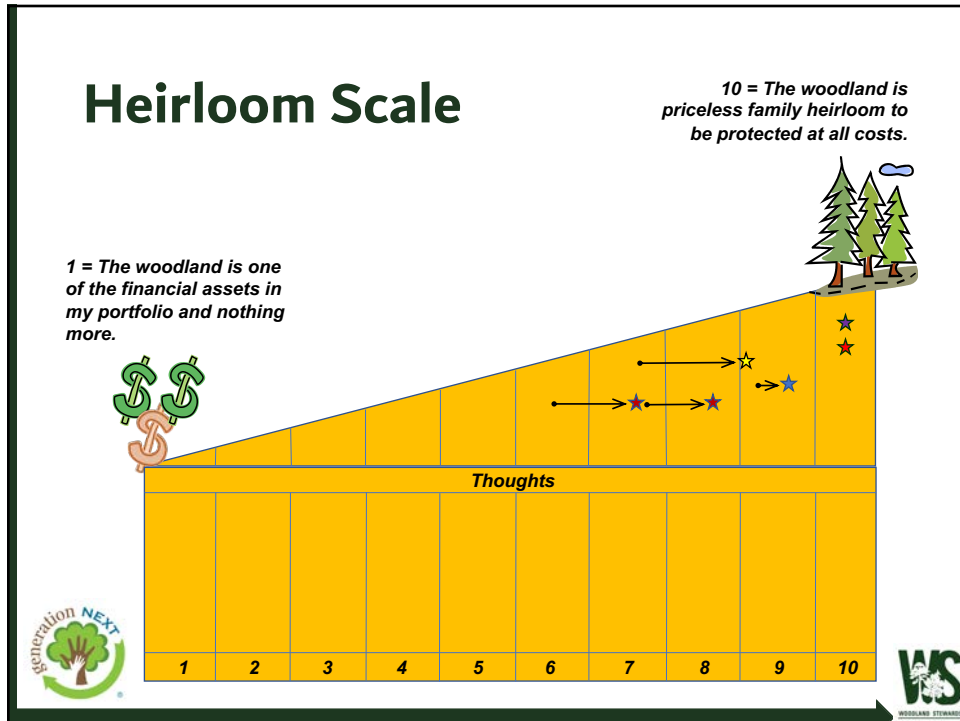
Type	Role	Name	Address	Phone	Email
Advisor					
Trainer					
Subject					
Contractor					

**Annual/Recurring Activities**

Month	Activity Description	Who Does It	When	What to do
	Pay Property Taxes			
	Pay for			
	Harmon			
	Equipment			
	Harmon Leases			
	Harmon Tracts			



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# Heir Identification

- These are the future stewards of your:
  - Land
  - Legacy
  - Family?

**Worksheet 3 - Selecting Your Heirs**

Name: \_\_\_\_\_

Location: \_\_\_\_\_

Proximity to land: \_\_\_\_\_

Could this potentially change in the future? \_\_\_\_\_

How engaged are they with your land? \_\_\_\_\_

Where are they on the heirloom scale with respect to your land? \_\_\_\_\_

What are they interested in? \_\_\_\_\_

Is there a way to engage them with your land around these interests? \_\_\_\_\_

Name: \_\_\_\_\_

Location: \_\_\_\_\_

Proximity to land: \_\_\_\_\_



Could this potentially change in the future? \_\_\_\_\_

How engaged are they with your land? \_\_\_\_\_

Where are they on the heirloom scale with respect to your land? \_\_\_\_\_

What are they interested in? \_\_\_\_\_

Is there a way to engage them with your land around these interests? \_\_\_\_\_

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# Family Resource Inventory

Date: \_\_\_\_\_ Completed by: \_\_\_\_\_



**SECTION 1. BASIC PROPERTY INFORMATION.**  
 1. State and locality where property is located: \_\_\_\_\_ 3. Forested acreage: \_\_\_\_\_  
 2. Date forest property acquired or inherited: \_\_\_\_\_ 2. Open field/agricultural acreage: \_\_\_\_\_

**SECTION 2. FAMILY RESOURCE INVENTORY.** Complete for each family member or stakeholder in your property.

family member or stakeholder name	age	physical capability (check one)			income from forest products needed or desired?	current land management skills																				outdoor hobbies/interests														
		strenuous	moderate	light		difficult to property	landowner	land manager	tree care	fire control	timber	survey planning	soil	water	forest health	timber	planting	site prep	tree care	timber	fire	trails	hunting	hiking	camping	boating	skiing	gardening	mountain biking	photography	swimming	surfing	skating	other/hobbies						
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**SECTION 3. GOALS.** Using your family resource inventory and conversations with your family, write one to four goals for your forest property.  
 Goal 1. \_\_\_\_\_  
 Goal 2. \_\_\_\_\_  
 Goal 3. \_\_\_\_\_  
 Goal 4. \_\_\_\_\_



**SECTION 4. VISION STATEMENT.** Using your goals, try to write an overall vision statement for your property.  
 \_\_\_\_\_  
 \_\_\_\_\_

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# Other Documents

- Family Values & Goals
- Mission Statement
  - Land
  - Family
- Legal Documents
  - Will
  - Power of Attorney (POA)
  - Medical POA and Advance Medical Directive

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## Questions for the Participants

- How many of you have taken active steps to start the legacy planning process?
- What is your biggest barrier to getting started with the legacy planning process?



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## Break

- How many have taken active steps to start the legacy planning process?
- What is your biggest barrier to getting started with the legacy planning process?



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# Your Legacy Planning Team

Adam Downing  
District Forestry & Natural Resource Agent  
Virginia Cooperative Extension



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## Your Legacy Planning TEAM

Good news...  
this is not/should not be a solo endeavor

Attorney – CPA – Forester

Financial/investor – Business Consultant - Facilitator – Insurance Agent  
– Lender -



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## Your Team



### Forester(s)

- State forester, consultant, industry
- Connects your family goals with the forest resource

### How to find

- Start with the State Forester
- Work with forester to articulate your goals



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## Your Team



### Attorney

- Team co-leader
- Relevant experience – LAND
- Knows the alphabet: LLC, LLP, Sole-proprietor, Trust, etc.

### Accountant

- Relevant Experience – LAND
- Knows tax code: timber selling, ownership structures, conservation easements, etc.



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## Your Team



How to assemble the team

- Ask friends/family/forester
- Interview them
  - Appropriate experience, suitable personality, team willing, ask for fee structures
- Articulate your goals clearly & succinctly
  - Listen to see if they “get it”



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## Optional team members



- Financial expert/investment advisor
- Lender
- Insurance Agent
- Family business consultant
- Family facilitator/mediator



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## Your Team

- Who is the team leader/facilitator?
  - unbiased
- Bring the team together
  - short meeting
    - Get to know each other
- Subsequent meetings
  - Agenda with specific points of discussion



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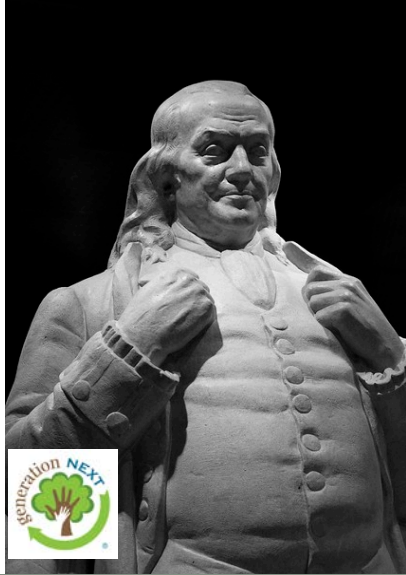
# Engaging Your Family

Jennifer E. Jones  
 Executive Director, Cacapon & Lost River  
 Land Trust  
 GROUND, Family Facilitator



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## Ben Had It Right



By failing  
to prepare,  
you are  
preparing  
to fail.



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We come and go,  
but the land  
is always here.  
And the people who love it  
and understand it  
are the people who own it –  
for a little while.



WILLA CATHER

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## The Work ...

Be willing to go  
where you might not  
want to go ...



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**Master  
the  
Porcupine**

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**...dealing with succession planning and farm transfer is sort of like taking on a porcupine... it's prickly and hard to approach - a creature one would just as soon avoid entirely.**

-- David Fryer

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## Don't Want to Lose Control ?

- Won't get what you want without a plan.
- Conversion happens at the point of intergenerational transfer.
- Your plan or someone else's.



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## Your Plan

What's one of the most important elements in keeping family forest land intact?



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## Declare and Share

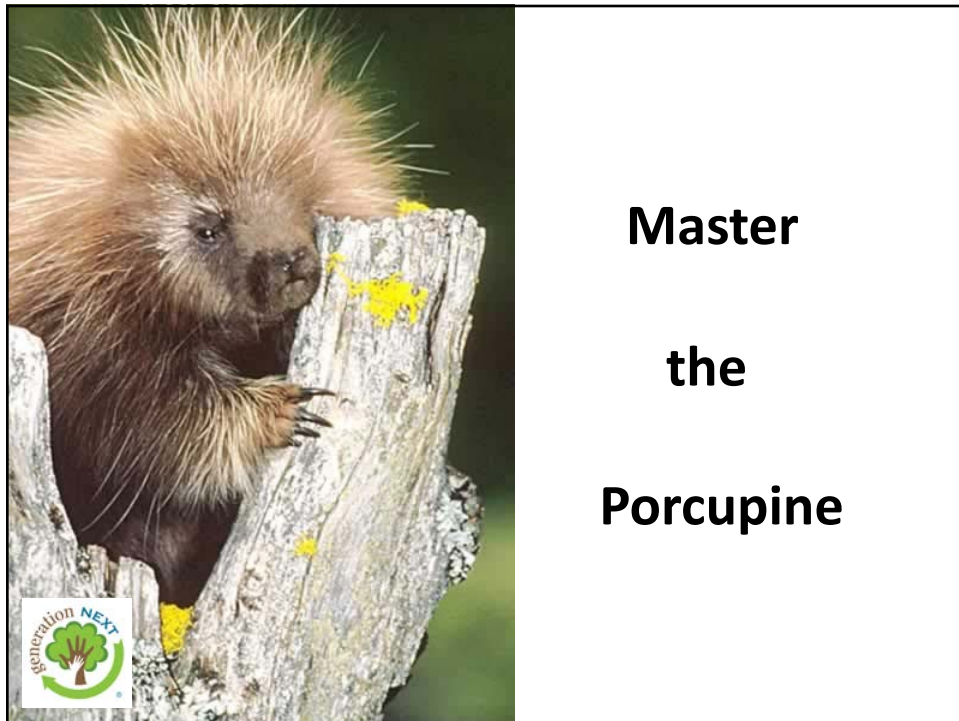
- Succession planning should not be a secret.
- Another part of your job.
- Manage the family dynamics.

You are the Team Leader



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Since 1899

1 Settlor  
9 beneficiaries  
15 co-beneficiaries

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## Family Dynamics

“You have to get everybody to the table and hash it out, pleasant or not, in order to make the best decisions for the asset for the family.”



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## Declare and Share

### VISION STATEMENT FOR YOUR WOODLANDS

David Watson, University of Wisconsin



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## Share Often

“Succession planning is hard and slow work...  
Begin as soon as possible.”

“It rarely goes quickly...”

Create the time and the space for  
family dialogues.

Clint Bentz, *Ties to the Land*



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## Family Dialogue

Deal with the emotions before the emotions become the issue.

Lise Stewart

Talk early and talk often.

Dale Susan Edmonds

Beware of their 12-year old selves.

Dale Susan Edmonds



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## Plan for Continuity

- Your Vision
- Heir Assessment
- Family Meetings



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## Most Willing? Most Able?

- Your family needs to know your vision.
- You need to know who will best to carry it out.
- Heir Assessment is equally important.



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## Most Willing? Most Able?

... it just might not be about the math...



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## Most Willing? Most Able?



Sheila McClune©



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## Family Meetings

It's not one event. It's a process.

- ✓ Be prepared
- ✓ Be persistent
- ✓ Be patient



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## Family Meetings

- Your meeting
  - Agenda
  - Materials
  - Purpose and Goals
  - Decision-making process
  - Follow up and next steps
  
- Tools for out-of-towners



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Separate and  
Distinct

**“These  
conversations ruin  
every  
holiday...”**

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START NOW

DECLARE  
and  
SHARE

SET UP YOUR TEAM

CHOOSE AND PLAN



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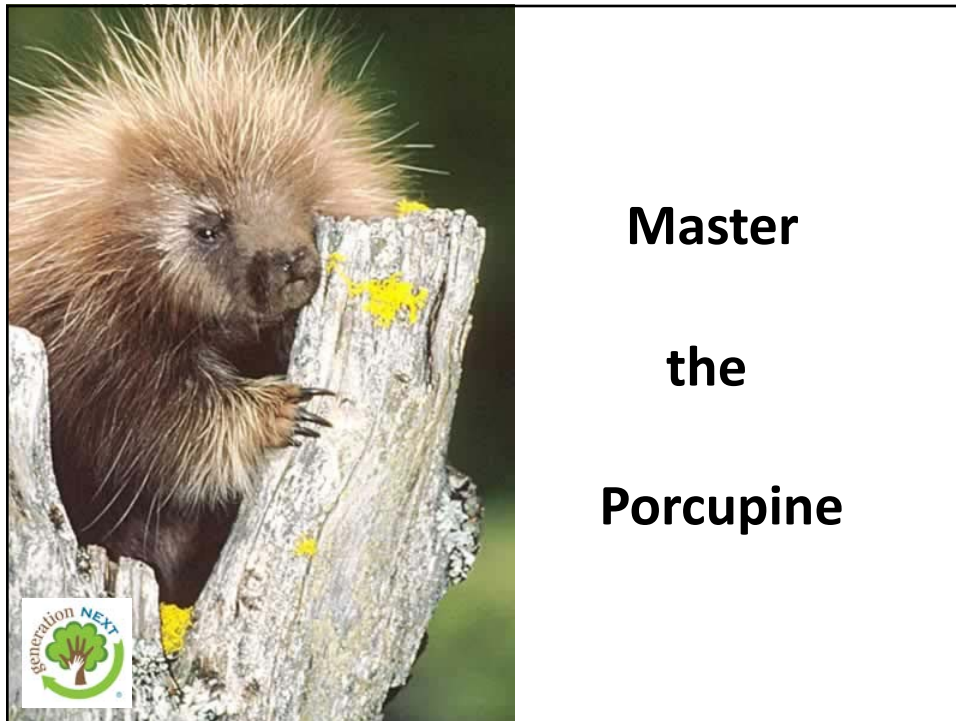
## Keep At It

- ✓ Keep family members involved.
- ✓ Keep current.
- ✓ Keep sharing.



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## Master the Porcupine

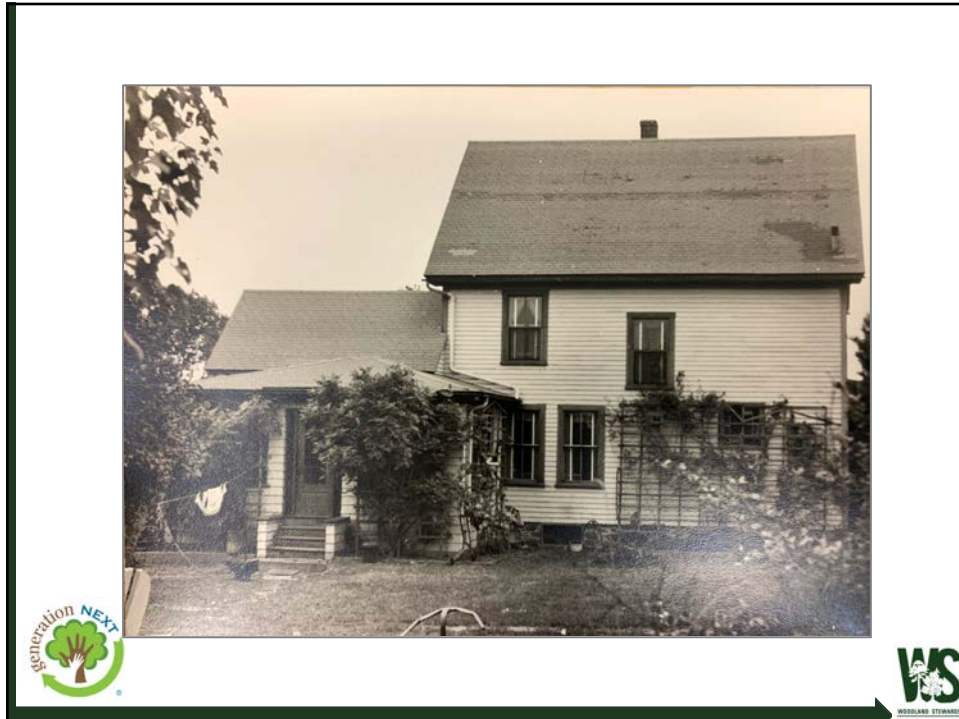
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## Where to Get Help

- Your local Extension office
- Your local service forester
- Oregon State University: Ties to the Land
- UMass Amherst: Legacy Planning Tool
- American Forest Foundation webinar series:  
<https://mylandplan.org/content/february-25-creating-overview-your-estate>
- <https://www.pubs.ext.vt.edu/>



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The 2020 Woodland Stewards Webinar Series was created by a team of Extension professionals from the following programs:



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**Questions?**

