

NRM

NATURAL RESOURCES MANAGEMENT
CORPORATION

1434 3rd St. Eureka CA 95501

ADDRESS
CITY, STATE, ZIP

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Feature Articles

Brief Company History of Natural Resources Management Corp. (NRM) – In Memory of John G. Miles.

Most people aren't aware of a company's history when they walk in through its doors, call one of its staff, or pay a bill for services rendered. The company's history usually doesn't matter. But at NRM, our history speaks a lot about the services we provide, who is providing them and how we do business. Most of our staff worked alongside the founder, John G. Miles, who started his own forestry consulting firm in 1963. John is dearly and respectfully remembered since his death in 2003. Because of his entrepreneurial spirit, innovations and determination to provide superb services, NRM is in business today.

The John G. Miles Company became incorporated in 1971 and changed its name to Natural Resources Management Corporation, later selling a majority of shares to 11 other employees in 1982. Since then, the company has been employee-owned and operated. Today, all but three of our employees have had the privilege of working with John, and six employees remain that worked for NRM in the 1970s. We believe that the high standards and quality of staff, as well as the ownership interest, has contributed to the continuity of high standards at NRM.

NRM is still located in Eureka at 1434 Third Street, where it was in 1970. Our facilities store decades of history and various equipment that is used in resource management. Foresters at NRM continue to assist timberland owners in obtaining permits to harvest trees and to report harvest volumes properly to the State Board of Equalization.

Why this Picture?

The *Arceuthobium* (commonly known as mistletoe) is a parasitic plant that spreads to additional host trees by its fruit. During late Summer and Autumn, the fruit is explosive and will expel seeds having a gelatinous and sticky coat. The seeds are propelled from the fruit and shot across to a neighboring tree, where, when germinating, the new plant can infect new stems. Certain species of *Arceuthobium* are considered quite harmful and will reduce the height and diameter of a tree so that eventually it is out-competed. A well placed seed can grow to deny the tree of life-sustaining nutrients and water.

In Northern California, this parasitic plant generally attacks conifers such as firs, spruce and pine. Published articles on this subject recommend removing infected branches by cutting flush with the trunk without damaging the branch bark collar. Because the mistletoe plant may be present in areas without visible symptoms or signs, pruning shouldn't be limited to obviously infected branches, but instead, include all live branches up to and including the highest infected branch¹.

¹ University of Wyoming, Publication B-1083, April 2000.

Our appraisers assist prospective sellers and buyers in valuing timber and timberland. Our experts in logging provide consulting services to help negotiate and mediate between land owners, timber operators, log purchasers, and agencies. Our hydrology, geology and erosion control experts assist in road planning and improvements. Finally, our environmental division encompasses biologists and botanists with

various specialties and a licensed attorney for assisting with permits and securing compliance with a multitude of state and federal environmental regulations and contracting.

Our present employee / company-owners are:

Sandra Brown · William Dann · David Glen · Paul Grunden · Dennis Halligan · Robert Kelley · Merritt Lindgren · Frank Mileham · Juanita Petersen · Stanley Richards



What is important to know about a Trust?

Too often you hear about a family whose land and other assets were thought to be held in a trust but then upon the death of a grandparent, it is discovered that the trust is void. A trust can be used to shield a trustor's land and other assets from the long process of probate and potentially costly estate tax if assets exceed the statutorily excluded amount. Trusts are desirable because they effectively transfer the ownership of assets – whether land, cash, or stocks, etc - to another person upon the original owner's (or trustor's) death. The problem is that the trust cannot operate unless there is a *living beneficiary* at the time of the trustor's death.

Most often, the unfortunate scenario of a void trust is the result of a 'marital trust'. Often, marital trusts are used to transfer ownership of assets from one spouse to another upon the death of a spouse. However, as one can imagine, the death of one spouse will seriously upset the life of the surviving spouse, cause mourning and general disarray in the surviving spouse's personal and legal affairs. If the surviving spouse dies before naming a new beneficiary to the trust, the entire trust's contents will not be protected from probate or estate taxes, but instead be part of the estate to be distributed in accordance with a valid will or the State's rules on intestate (without a valid will).

Probate is currently a two to three year period after death wherein the real and personal property, accounts receivable, and debt of the deceased are determined. If there is an existing will, it is examined for its authenticity and validity, and any claims made upon property or assets are made by creditors. You can imagine that the consequences of having a trust voided include costs and delays associated with probate and estate taxes if assets exceed the current exemption limit. According to present tax code, estates valued as much as \$2,000,000 in assets are excluded from tax for the years 2007 and 2008. Up to \$3,500,000 will be excluded in 2009. When incurred, estate tax will often force heirs to sell off land and assets to pay the taxes – an unintended and undesirable outcome for any family!



Short & Long Term Advantages of Non-Industrial Timber Management Plans (NTMPs)

There is a program under the Z'berg-Nejedly Forest Practice Act that can benefit over 314,000 land owners in California. Presently, less than 100 land owners in Humboldt County are benefiting from the program. The program is the Non-Industrial Timber Management Plan (NTMP), which is a long-term management plan for land owners with less than 2,500 acres of timberland. The process enables a land owner to generate a single management and harvest plan that attaches to the land rather than having to generate multiple Timber Harvest Plans (THPs) over a period of time.

Acquiring timber harvest permits in California has become increasingly burdensome and costly. Consequently, it behooves the savvy land owner to become acquainted with available incentive programs that may reimburse or lighten the regulatory burden of their particular land use. Timber land owners typically can qualify for reduced property taxes under a Timber Production Zone (TPZ) designation or a Williamson Act Contract, for example. Another means of lightening the burden is to generate a NTMP per California Public Resource Code Section 4593 (PRC §4593).

Although a NTMP initially costs 25-50% more to prepare than a THP, the advantages of a NTMP are: (1) one NTMP eliminates the need for multiple THPs indefinitely; (2) a NTMP locks in the forestry regulations that govern a piece of land at the date of plan approval by the California Dept. of Forestry (CDF). (Applicable regulations encompassed by other Acts, such as the Clean Water Act and Endangered Species Act, are subject to amendments and updates.) (3) a NTMP requires un-even aged harvesting and promotes consistent productivity and improves the forest's health; (4) a NTMP enables the land owner to commence harvesting on the same day that a Notice of Timber Operations (NTO) is filed with the CDF, which enables the timber owner to take advantage of periodic but unpredictable peak returns in the timber market; and (5) while an NTMP can be amended or voided by the owner, the NTMP will run with the land and provides added value to the land when sold. Both regulatory documents require the preparation by a Registered Professional Forester. The only additional requirement of a NTMP is a periodic inventory and growth analysis to determine annual or periodic harvest levels.

The approval process for a NTMP is generally the same as that required for a THP. The State offers this NTMP process in return for valuable benefits that the State gets in return. The NTMP implements long-term best practices for the protection of water, soil, forest productivity, wildlife, and, in some cases, actually provides for a 100-year forecast to timber harvests. NTMPs also contribute to the State's land data by including an assessment of inventory and growth which contributes to the State's economic forecasts. Lastly, the State's review and supervision of NTMP operations are generally less costly than those required by more frequent THPs.

If saving multiple THP costs is not the only motive, land owners are likely to find that a NTMP's long-term stability and sustainability of their timber and land resources is reason enough. For questions concerning the differences between the NTMP and THP, call your local CDF Office (Fortuna's CDF Office is 725-4413), or call one of our Registered Professional Foresters at NRM, and ask to speak to someone about NTMPs. We will be pleased to answer your questions.

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