# PRIVATE LANDOWNER RECOMMENDATIONS:

## Meaningful Incentives for Landscape and Species Conservation on Private Lands

Prepared for:

Peninsular Florida Landscape Conservation Cooperative

On behalf of:

Select Private Landowners in Florida

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## Private Landowner Recommendations:

## Meaningful Incentives for Landscape and Species Conservation on Private Lands

Private landowners are managers of natural and rural landscapes, and they do so as a matter of choice, profession, philosophy, and a way of life. Their goals generally are to grow or make products from the land and in so doing make a living for themselves and their families. Clearly, these goals vary in complexity just as land ownership varies from the family farm or woodlot to larger corporate private land ownerships. The fundamentals of land management essentially remain the same, however, and economics is a common variable. There is a cost associated with management of the land and resulting products should have some form of economic value or return; otherwise, land ownership can not persist as an equitable endeavor. The private landowner understands this reality by necessity. They also have the most realistic perspective regarding the types of incentives that would, if provided, make possible continuing conservation of the natural landscape and wildlife as natural products of the land. Therefore, we selected a sample of private landowners to interview and asked them for their comments and recommendations regarding what they would consider to be the most meaningful incentives of economic value towards this end. Our sample included 10 landowners of properties that extend from south to north Florida, vary in size, and represent well in excess of a million acres being managed for citrus, row crops, livestock, and silviculture. Three terms are used throughout this document that warrants definitions, as follows:

**Private landowner** is a general term we use for purposes of this document to reference the owners and managers of private land and those who assist them (i.e. consultants, planners, attorneys, etc.).

**Ecosystems services** are the natural land products private landowners currently provide or have the potential to provide through management of their lands that have natural resource, natural areas, and/or species conservation values of short- and long-term public interest.

**Incentives** is a commonly used term that, by definition, may be a misnomer for our use, but is used here to refer to those various forms of compensation that have economic value and when provided would assure or assist the economic feasibility of continuing to provide ongoing or additional ecosystems services through prescribed land management.

The input we received from our sample of private landowners, which should be considered a "work in progress", is summarized as follows:

### Land Ownership Realities

- Private landowners hold a fundamental interest and desire to manage the land for the products it is capable of producing. They generally grow plants and animals by managing, enhancing, and protecting the soils, air, and water to produce those commodities. Natural plant communities and wildlife that depend upon them fall within the private landowner's philosophy of land stewardship.
- Land has value and ownership of land is an economic investment or asset.
- Management of the land has an associated cost and its products have value whether it is esthetic value, public value, or dollar value.
- Private landowners own the land resources and are interested in managing them to protect, enhance, produce, and/or provide ecosystems services and conservation. Doing so in exchange

for receiving incentives or compensation in some form of return that has economic value often is the only way to feasibly achieve these ends.

- Private landowners speak in terms of managing the land to produce or provide products, commodities, and services. They also must evaluate the cost benefits of producing those services.
- Although the fundamental management interests and goals of the private landowner may remain for the foreseeable future in the more traditional land uses that include agriculture, livestock production, and forestry, human use and needs create additional future values and opportunities for more intensive land uses that may include residential, commercial, and industrial development.

**Types of Ecosystems Services and Compensation/Incentives**

- Suggested ecosystems services that may be provided on private land include, but are not limited to, the following:

    - Natural area preservation
    - Preservation of landscape linkages
    - Restoration and creation of landscape linkages
    - Wildlife habitat preservation
    - Wildlife management
    - Threatened and/or Endangered species recovery
    - Fresh water storage
    - Storm water treatment
    - Water quality enhancement
    - Phosphorous removal
    - Ground water recharge
    - Carbon sequestration

- Additional services that may be provided on private lands that could be of public value and could guide human use away from and protect areas of higher ecosystem and conservation value may include the following:

    - Transportation corridors
    - Utility corridors
    - Public facilities (i.e. schools, hospitals, prisons, etc.)
    - Residential, commercial, and industrial growth and economic development

    Note: The above infrastructural services are essential to the daily needs of humans and can best be accommodated through "smart growth" planning that considers conservation of natural landscapes as also fundamental to human needs. It should be understood that the natural landscape is human habitat; it is the diverse plant communities and wetlands where our clean air and fresh water are derived; natural areas are essential to our own quality of life, health, and enjoyment.

- Provision of ecosystems services on private lands is a public service and should be viewed, encouraged, and compensated as added value of those lands.
- Use of private lands for locating transportation and utility corridors may be compatible with land use goals and provide indirect conservation benefits, but early planning must consider the land owner's management and economic goals.

- Public conservation goals will not be fully achieved without conservation planning and actions adding to the value of the lands with the highest conservation value.
- Desired ecosystems services must be compatible with the land owner's management and economic objectives.
- Costs will be associated with providing ecosystems services, and cost benefits must be positive.
- Compensation must be available to those providing ecosystems services.
- Forms of compensation that could be delivered for or in exchange for provision of ecosystems services may include, but not be limited to, the following:

    - Fee payment for services
    - Water use assurance
    - Water quality enhancement credits
    - Regulatory assurance/relief for other on-site land uses (i.e. more intensive use in areas of lower conservation potential)
    - Regulatory assurances for future land uses on other/off-site lands in exchange for ecosystems services
    - Presumption of compliance with state and federal wildlife and environmental rules (i.e. best management practices)
    - Safe Harbor protection in improved form
    - Credits of density (dollar or mitigation value) for future use and/or sale
    - Compensation for ongoing services to reward and assure continuation of service
    - Tax relief
    - Layering of services

- Certain incentives may not provide immediate economic value but may encourage or facilitate provision of ecosystems services that result in indirect economic value to the land. These may include:

    - Coordinated non-duplicative regulation and authorization
    - Certainty/expectation of regulation and authorization
    - Extended duration of authorization commensurate with timeframe of management investment
    - Simplified agreements/authorizations with minimal (only absolutely necessary) conditions
    - Reduce risk for successful management for wildlife/listed species

**Landowner Interests and Considerations**

- Each private landowner has their own management goals, interests, and economic commitments; therefore, forms of compensation must be diverse, flexible, and adaptable in order to meet individual landowner needs.
- Provision of ecosystems services must be voluntary, landowner-driven, and add value.
- High natural resource diversity and conservation potential must add value to land rather than diminish value due to unnecessary regulatory burden.
- Regulations must recognize and enhance value and facilitate/encourage/compensate provision of ecosystems services rather than encumber and discourage conservation interests and provision of services.

- Private landowners not only own the land and natural resources necessary for provision of ecosystems services, they are also fully capable to commit and enter into agreements upon advice of their legal and financial advisors.
- Provision of ecosystems services on private lands will require efficient coordination and agreement among regulatory agencies in concert with landowner interests; otherwise, common environmental goals and public values will not exist and will not be achieved.
- Systems services presently being provided on private lands without compensation must be recognized and compensated to assure provision of those services remains economically feasible and continues.
- Layering of systems services must be allowed and compensated to maximize the potential and value for providing such services.
- Natural systems are well established, diverse, efficient, and cost-effective locations for provision of ecosystems services.

**Valuing Ecosystems Services**

- An index scale of value should be developed to quantify relative conservation potential (land value) and value of the ecosystems services being provided. Parameters of value or index could include:

    - Cover type/habitat diversity
    - Wildlife diversity
    - Threatened/Endangered species occurrence/diversity
    - On-site, adjacent, and regional landscape linkages
    - Current land uses
    - Size
    - Regional proximity
    - Ownership status and management interests

- Use of an index of conservation value should provide a method of quantifying land and service value and compensation rates.
- Conservation index value also should illustrate public value derived from systems services and enhance public support for compensation.
- Development of a conservation value index also would be a means of recognizing underlying development value of some lands and directing conservation investments and services in areas of higher conservation potential.
- An index would also provide a method of quantifying the relative values of development versus ecosystems service or other agricultural land uses on a given site, as well as provide values for comparing provision of additional ecosystems services in one area in exchange for authorization for future development within other areas, perhaps of lower conservation potential.
- Development rights may be protected/assured in exchange for commitments to systems services.

**Delivery Considerations for Ecosystems Services and Compensation**

- Compensation and incentive programs must be science-based and measurable.
- Development of compensation and ecosystems services programs and their implementation must be collaborative across stakeholder/agency lines.

- These programs must be repeatable and fair to assure equal opportunity and application under different land holder circumstances and interests.
- They must be available and delivered within a common framework.
- The following methods or approaches for conservation agreement were discussed:

    - Fee title acquisition
    - Perpetual conservation easement
    - Transfer of Development Rights (TDR) programs
    - Conservation banks
    - Non-permanent agreement or Memorandum of Understanding (MOU)

- Fee title acquisitions, while having limited utility, generally are an out-of-date approach to conserving natural landscapes. Acquisition has application in circumstances where expansion or maintaining landscape linkages associated with existing public lands and full management control is desirable, but the approach is most expensive. Otherwise, lands are not for sale, sale is not compatible with private lands use goals, and flexibility and natural area and wildlife conservation can be achieved much more cost effectively by providing compensation for ecosystems services.
- Perpetual conservation easements have continuing application for lands and are compatible with the land management goals of the landowner in circumstances where long-term land uses are expected to continue as such and certain land use rights are retained as conditions of the easement. Such easements may be granted in exchange for authorization of long-term development rights on lands of the owner not included in the easement. Lands covered under perpetual conservation easements should be considered buffers in and of themselves to more intensive land uses that may occur in the future adjacent to the easement with no additional buffers required between the adjacent land use and easement. Perpetual conservation easements do not consider that natural landscapes will change over time as plant succession evolves, and they do not include the flexibility for adaptive modification as needs change and additional ecosystems services develop.
- Existing TDR programs, although well planned, quantified, and science based, generally are not working as intended, primarily due to lack of total agency, especially local, buy-in necessary to allow the programs to work. Little interest was expressed.
- Little to no interest was expressed in conservation banks or similar methods of providing ecosystems services. Landowners are not interested in investing in the long and uncertain processes and meeting the extensive and often unnecessary conditions set by the agencies to receive credits of theoretical economic value that then must be sold at the discretion of the markets to eventually recover required upfront investments and management costs. The landowners suggest that it would be much more cost effective to enter into a MOU to manage landscapes and/or species as an ecosystems service for direct compensation. This would be a much more straight forward conservation approach that would be compatible with other management goals at less landowner and public cost for services. This approach would be much less complicated, direct, and cost-effective and accomplish the same, if not more comprehensive, conservation goals.
- Non-permanent agreements were suggested as an approach that could be implemented by a MOU, non-permanent easement, or other form of agreement that would provide the flexibility for an adaptive framework to layer new and additional ecosystems services as needed over time. This approach would recognize that the natural landscape will change as plant communities mature and wildlife populations respond accordingly just as public needs also will evolve. It would facilitate agreed upon revisions to maximize provision of the most timely ecosystems services as long as provision of those services remain compatible with landowner management

goals, which also may evolve, and compensation remains equitable. The agreement and provision of systems services could continue indefinitely or could be terminated at some point. Regardless of whether continuous or terminated at some point in time, the net conservation benefits would be positive during the duration of the agreement as long as a baseline is established at the time of implementation.

- Parcels of land being dedicated for provision of ecosystems services under any form of agreement should be configured or designated as "economically whole units" to preserve and assure land value regardless of future land uses.
- Existing government programs intended to compensate private landowners for preservation, enhancement, and/or restoration through payment or tax benefit are often mutually exclusive, do not allow pursuit of compatible conservation goals, and encourage conservation action on most degraded landscapes where cost will be highest for the least predictable conservation gain, if in fact achievable.

**Recommendations**

- These findings should be presented to the Steering Committee of the Peninsular Florida Landscape Conservation Cooperative (LCC) as formal recommendations of representative private landowner stakeholders with the request that agency members of the Steering Committee evaluate the findings and recommendations and develop a plan with proposed methods for collaborative delivery of compensation/incentives for provision of ecosystems services on interested private lands. A timeframe should be established for preparation and delivery of a draft plan for review of the full Steering Committee.
- The LCC Coordinator should be requested to identify available research funds that could be allocated for a contracted economic study of the cost benefits associated with the various approaches for provisions of ecosystems services on private lands and the effects of those programs on resulting land values.
- The LCC should seek to identify, encourage, and provide compensation/incentives for implementation of pilot projects in a variety of cover types and/or land uses to demonstrate biological and economic successes as models.
- The LCC should strive to remain current and informed through its stakeholders, private and governmental, regarding the various conservation planning and other initiatives that are ongoing to assist with coordination where appropriate, as well as to share information of collective value to these interrelated efforts. The stakeholder members should, likewise, be encouraged to use the LCC as a venue for sharing information and receiving input to planning, policy making, and program development activities that may assist the achievement of LCC goals.