



News Brief

Center for Urban Forest Research
PACIFIC SOUTHWEST RESEARCH STATION

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USDA Forest Service
State and Private Forestry

Can Community Trees be Capital Assets?

Our Center's newest project: *Reporting Green Infrastructure as a Municipal Asset*

Under **GASB 34** (Government Accounting Standards Board, Statement 34), all city capital assets related to infrastructure must be inventoried and valued to facilitate better asset management and financing. **Why not trees?** GASB 34 provides us an opportunity to elevate the status of community trees to a municipal asset like buildings, streets, and bridges. However, including street and park trees, or “green infrastructure,” as a capital asset would be a paradigm shift in the way trees are viewed by public and private constituents—from amenity to infrastructure. If successful, the shift would give people a new way to view trees and a new understanding of how urban trees benefit society.

Over the next two years **we will develop and test**, via implementation in three California cities, an alternative approach that works within GASB 34's Depreciated Approach. The approach involves calculating the stream of future benefits and costs for the expected life of city trees, then discounting net benefits to the present. The resulting present value of net benefits will be expensed using a standard infrastructure depreciation schedule. The benefits of this approach are four-fold: 1) it follows standard accounting practices; 2) it highlights the type and magnitude of benefits trees produce; 3) it relies on current research as scientific underpinnings for calculating benefits and costs; and 4) it can be easily implemented and updated by communities without tree inventories through sampling and use of existing computer software such as STRATUM.

This project attempts to provide every community with a practical approach for reporting the asset value of their municipal forests. The approach will be made accessible to cities and consultants via an extension to our STRATUM software which is designed as a street tree analysis tool.

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For more information on STRATUM visit: <http://cufu.ucdavis.edu/stratum.asp>

Another resource: *GASB 34: Urban Natural Resources as Capital Assets* by Dudley Hartel: <http://www.srs.fs.usda.gov/trends/Urbnatrespap.pdf>

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