

Why the System Does Not Work and How to Fix It¹

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I would like to begin this morning with the realities of being a California landowner, a resource professional, and appointed Department of Forestry and Fire Protection Director, living in a state with tremendous resource diversity and values; in a state of 31 million residents, the 8th largest economy in the world, and in a state which is predicted to witness unprecedented growth in the next 20 years. Simply stated, change will occur on the California landscape, but is it necessary or prudent that the resources upon which our cherished values and economy have been built be eliminated as we grow? The issues related to conservation of open spaces, agricultural land, and forest management go far beyond the so-called green line between urbanization and our wildlands.

Let's go back in history and quickly review how we have arrived in our present dilemma. How can we save these prized lands?

People came to the United States from England because of property rights. This was the one way they could get freedom. The value of "property" was based on use, and the uses were agriculture, forestry, and mining. As settlement of the eastern seaboard took place, people crowded against each other. The west became the opportunity for cheap land upon which one could build a future producing basic values in agriculture, timber, and mining. Between 1812 and 1848, the Louisiana Purchase was made along with a series of land secessions by the Mexican and British governments leading to a seemingly endless supply of western lands. When times got tough because of the pressures of too many people, the western settler packed up and moved farther west.

As this western migration took place for the use of cheap land, an infrastructure began to be built: railroads, canals, navigational waterways, and better roads and communication. The Civil War brought newer technologies.

The eastern part of the country gained population and with the demographic growth came the change in perceived value of land from its use to its marketability as a commodity. In the early 1900's, we began to see land booms. People ran about excitedly during these times, staking a future in the use of such lands. These values were short lived as communities, and infrastructures quickly focused land values on its marketability as a commodity or investment. From this time forward, people have become more interested in the value of land rather than the use of the land. (Example: Early settlers along railroad right-of-ways soon developed wealth and power, based not upon farming or ranching but value of the land commodity in proximity to the tracks.)

The courts have also become more interested in land valued as commodity rather than use. We see this in large judgments today throughout the country. But the courts still hold that you can use your property as you see fit so long as you do not harm or endanger someone else (possibly your neighbor) by this use. This brings us to the environmental uses of today.

We are in trouble because the so-called solutions do not fix the problem. The political system prefers to stay on the fringes rather than go to the core issues. Before we get to the core issues, we need to examine why agriculture and forestry seem to wind up as the "bad guys." The answer comes easily. They represent the economic interest required to manage and use the land if it is to

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return a profit and/or pay for itself. This does not necessarily meet the agendas of all factions.

Growth management and all its tools—zoning, land acquisition, tax relief, and regulations—have not done the job. We are continuing to lose our best agricultural and timber lands. The system, as it is devised, will not allow a property owner to manage his or her land to optimal sustainable values. This is because a large segment of the time allowed for the property owner to manage his land is being devoted to working with lawyers, consultants, and bankers to hold on to his land.

Beyond the lawyers, consultants, and bankers is local government. Local government is casting its eyes on ways to bring in more revenues for the tax base, looking at sprawl or growth as income-generating opportunities. That drive for more revenue always leads to changing densities from the green space of agriculture, timber, and wooded landscapes to densities that support houses, business, and roads. In other words, the land-use change is from managing a productive sustainable forest to growing houses, and these uses over the long-term have not proven compatible. The usual scenario after the green line on density is broken is that the resource owners fold their tents and either retire or sell out at a higher price or try to relocate—possibly on a poorer site than the one they have lived on—and, in some cases, they leave the country and go offshore (examples: dairy industry, citrus, ranchers, timber industry, etc.).

If the sprawl then becomes a threat to the property rights of agriculture and timber, what can be done? It is difficult for owners of agricultural land and timber/wood resources not to accept zoning changes or higher density ratio on their land, because they mean a higher land value. If the landowner does not accept these zoning/density changes, capital needs for expansion, improvements, inheritance, etc. may be jeopardized because of reduced or limited value added. So the landowner is in a “Catch 22.” On the one hand, the landowner wants to stay on the land and take a stewardship posture, and on the other hand, local government (in many cases) will press to increase density to provide local income, thus breaking the green line. To put it more directly, the current view is that houses and roads bring in more revenue to the local government/political body than maintaining productive open space in agriculture and forests. Should this continuous breaking of the green line be allowed, or is there a way to prevent the sprawl and stop the elimination of our agriculture and forests?

Slowly, evidence is being gathered to show that urban sprawl is costing more than it is bringing in. It is an interesting time; we have created a mousetrap through the tax code at all levels to force people from the open space, productive lands into the city and just as soon as they can make enough money, they want to move out of the city and strive to get back into open space and the wilderness landscape. Does this say something about human nature and our society?

The fiscal contributions of growing crops, trees, and animals on landscapes have been demonstrated by studies like the Coastal Community Services (CCS) evaluation performed in 11 southern New England towns. The evidence of such fiscal contributions (land versus forest, farm, and open space) was recently completed by the USDA Forest Service. If it can be fiscally shown that urban sprawl is costing society more dollars than it is generating, means must be found to keep the farmer and the forest owners economically viable for generations today and in the future.

We know the following do not work:

- Government under its current process will not save the property owner.
- The legal system cannot protect property rights.
- More laws and regulations will not do the job.

- There is a two-tiered system in place.

The landowners who have the financial means to play the game to afford the overhead of consultants and lawyers hang on, and those who cannot, move on, probably to the city.

Let's look at some possibilities.

First: We must get out of the "good guy" / "bad guy" relationship. It leads to polarization. Working relationships must be established which serve to unite philosophies to meet common goals rather than create obstacles leading to all-or-nothing viewpoints. A trapped landowner will sell out in the best interest of survival; that is human nature.

Second: Leadership does not want to make decisions to keep agriculture and timber lands whole and productive because this affects people's lives, so it turns to government, and government turns to regulation. On the other hand, burdensome and miscrafted or misunderstood regulation frustrates landowners and the public, therefore setting the trap for sell-out by the landowner.

Third: There must be long-term investment made by unification of agriculture and timber landowners. If given financial relief, the landowner must ensure long-term use versus market value of the land as a commodity.

Fourth: There must be better science, education, and communication to show what agriculture and timber interest bring to the table for the public's well-being. This is not just a matter of food on the table or wood for homes. Our lands are habitat for species, provide us liquid gold (water), conserve our soils, clean our air, and so much more.

Fifth: There must be changes in the federal and state tax codes that protect the property owner. Taxation codes are in immediate need of change if we are to meet the challenges of growth facing California in the next 20 years. This will have to be negotiated. If property owners are willing to zone their land in perpetuity to use rather than value, then the tax code needs to reflect that decision. Such changes would protect the land resources, the landowners' way of life, and the public interest both environmentally and economically.

Sixth: Through a clearer mandate for the use of the land, there needs to be some way to establish consensus where, so long as acceptable, Best Management Practices (BMP) are maintained by the landowner. The state's only regulatory function at that time should be to see that there is compliance with established BMP's.

Seventh: Value Added: There must be ways to recognize and reward the property owner for value added in non-commodity areas. Without such rewards for private or industrial landowners, they cannot rise to the bureaucratic and financial burden of maintaining open space in urbanizing California.

Conclusion: Society at large must see the value of maintaining people working in the open-space landscapes, striving to achieve sustainable and productive economies.

We are currently doing it all backwards, and we are suffocating from our confusion. Action is required now if we are to save our most precious resource, our lands, for their intrinsic resource values as well as the economic well-being of our State and nation.

