



Little Hogback Community Forest LLC

Questions, Issues, Answers and Proposed Resolutions

February 14, 2005

Hunting

Many people felt that hunting should be allowed. Some mentioned ecological reasons for hunting—especially to keep the deer population from over-browsing young trees. Others had more social and practical concerns about closing off an area that had been open to hunting: it might provoke resentment; it might seem elitist; it would effectively restrict members from hunting but hunters would still enter the property from surrounding land.

On the other hand, most people are more interested in using the land for hiking and cutting firewood than for hunting. And they would like to feel safe doing that.

After reviewing the comments and talking with the sponsor and the VFF board, *we agreed hunting should be allowed during deer hunting rifle season, with permission from the LLC.* Rifle season is both the most popular hunting season, and the most effective in keeping the deer population in check. It runs for 15 days, from the second Saturday in November to the Sunday following Thanksgiving.

Income Cap

Three people said that the income cap was too low to allow them to participate. *We have raised the cap so households with incomes up to \$119,000 (twice the county median) can buy shares.*

One of the goals of the project is to offer opportunities for landholding to community members who would not otherwise be able to afford forest land. At the same time, this is a community project and it benefits from the diversity of the community. We don't want to isolate a single economic stratum.

It is clear to us that the cap we originally set (150% of median income) excludes many families with children who feel that looming college bills prevent them from buying forest land any other way.

We think a healthy income mix is occurring naturally in the project. We also feel the opportunity for lower-income members to participate will be insured through the following:

1. Deferred loans available for people with incomes less than median.
2. VFF's right to purchase and resell any share offered for sale at forest value.
3. The incentives (financial and control) for higher-income people to buy forest land on their own if they are able to afford it.

How will VFF decide who can buy a share?

If there are more than sixteen people interested in buying a share, we will hold lotteries.

As soon as you, the potentially interested people, have gotten answers to your questions and the information you think you need to make an informed decision, we will ask people to put their names into any or all of three lotteries:

1. To buy a share with the deferred loan
2. To buy a share without the deferred loan
3. To buy two shares

We will put together a lottery committee including representatives of the National Bank and community organizations.

If there are more than seven applications for shares with the deferred loan, we will hold the loan lottery first. Winners will have to submit their 1040 (income tax) to the National Bank of Middlebury to receive the loan. We will remove the names of the winners of this lottery from the second lottery.

If there are more than nine names for the second category, we will hold a lottery for those slots next.

We will only hold the lottery for the second share if there are unsold shares at the end of the first two lotteries.

Finally, we will keep a waiting list, in lottery order, in case any of the winners decide not to participate for any reason.

At this point it looks as though we have a pretty good match between the number of shares and the number of people who are interested, so a lottery may not be necessary.

Decision-making, management and meetings

It seems clear that people are more comfortable entering into the process with the assurance that VFF will continue to serve as manager. *VFF will serve as manager for two years, and then the LLC would hold a vote that would require a 2/3 majority to change to an owner-managed LLC.*

Although the manager-operated LLC and the owner-operated LLC are two distinct categories in the law, in reality you could fashion an owner-operated LLC that has a manager perform many functions. We think that two years may be enough time to feel the rhythm of the LHCF, to set up all the accounting and reporting systems, and to develop trust.

Some of you wondered about the number of meetings that would be required. A manager-managed LLC, as we propose to have in the beginning, would require one annual meeting. An owner-managed LLC doesn't require any more, although it is likely

that there would be more meetings—at least of committees. In either case, we envision that members might like to join together for hikes, or to walk and mark the boundary, or to conduct an annual bird count, etc.

Timetable

As explained at the meetings, a timber sale has been marked. The income from the timber sale will go into the Management Reserve Fund to cover carrying costs on the land until the next harvest. Because it is best to log on frozen ground, and because the date for selling the land to the LLC has not been set, the Vermont Land Trust has allowed the sale to proceed, regardless of who is the owner. The proceeds will be reserved for the LLC.

The dates of the lottery, LLC formation, and closing on the land have not been set. We want to be sure that you all have a chance to get answers to all your questions and to feel comfortable with your decision without pressure.

So please let us know if you are seriously interested in buying a share, and what more information—from trees to taxes—you would like. Email is fine. You don't need to use the form below, but if you would like you can fill it in and send it via fax to 352-9047, or mail it to Deb Brighton, 98 Shard Villa Rd, Salisbury VT 05769. Or, you can call 352-9074 to let us know what you are interested in at this point.

Thanks!

Name:

____I am potentially interested in buying a share with a loan
(household income less than \$59,300)

____I am potentially interested in buying a share without a loan
(household income less than \$119,000)

____I would like to stay on the list to learn about future parcels