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Right: Howe Creek watershed, with barn and pond at left, Eel River drainage in the background.



HOWE CREEK: An Experiment in Proactive Ranching

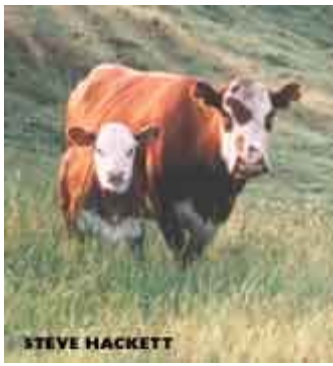
Banking on a Conservation Easement

ANNE CANRIGHT

Steve Hackett isn't comfortable being called "forward-thinking." He prefers "thinking outside the box" or, even better, "proactive." However, anyone who can look the words "in perpetuity" in the face is forward-thinking by default. And that's just what Steve Hackett is doing.

He's doing it, moreover, with a 4,000-acre spread in Humboldt County that's been in the Hackett family for almost a century—Howe Creek Ranch, where he grew up and which he now manages. This beautiful expanse of rolling hills and riparian corridors lies in the front range just west of Rio Dell, seven to ten miles from the coast. Hackett derives his livelihood from its forests (Douglas and grand fir, red cedar, and redwood) and pasturage, which nourished sheep for much of the ranch's history and now supports cattle. Its streams provide habitat for endangered winter-run steelhead, chinook, and coho salmon, and the forests are home to a dense population of mammals, from mountain lions, bear, and black-tailed deer to red tree voles and flying squirrels. Numerous species of birds, including the controversial spotted owl, make their home there as well.





What Hackett has in mind for the property is a rather radical move in the world of ranching, but a move that may well allow him to reach some vital goals: pay off debts, allow his parents to retire, keep the land in production, give marginal timberlands a chance to return to health, and protect natural resources into the bargain. How will he do all this? By placing a conservation easement over all the land his family owns (3,780 acres—220 acres are leased).

A conservation easement is a legally binding agreement in which a landowner sets permanent limitations on the use of the land—restricting future development, for example, or preserving acreage for agriculture. The easement continues “in perpetuity”: no matter who might take ownership of the land in the future, the terms of the original agreement remain in place. Typically, a land trust monitors the easement, making sure that the terms are upheld.

Why would a rancher want to enter into such an agreement? Why encumber the property, limit future development options, and invite some group to keep watch over the way he manages his property? In Hackett’s case, the easement would allow a shift from the crisis-management mode that typifies the rancher’s life into a proactive mode designed to assure long-term sustainability.

This goal is what keeps him going. Because if Steve Hackett is anything, he’s passionate about his land and committed to the rancher’s life. It’s in his blood. He learned the philosophy of stewardship and husbandry from his own father, who learned it from his father, who in turn learned it from his father, Walter, who in 1913 bought eight or so consolidated homesteads to create the ranch.

Above: The Hackett family, from left: Tanner, Jill, Conner, Steve

Below: Howe Creek ranch



Transplanting steelhead at the Howe Creek Restoration Project diversion.

A Better Life Through Stewardship?

Hackett had been exposed to the idea of conservation easements in the 1980s, when he spent a lot of time working in Sacramento as a Cattlemen's Association director. At the annual convention, land trust representatives would raise the idea. Then bankers would warn against it, saying, " 'You be careful' — talking to an audience of 500 cattlemen — 'because we're not going to loan you any money.' Which is right, they're not: you lose your collateral, your development rights. So you have to weigh all the pros and cons."

The Hackett family discussed the easement idea for a year before deciding it was something they wanted to pursue. In the end, they agreed that it was the most viable option for the future. The easement would reduce the equity value of the land, thus relieving it of development pressures and, by the same token, diminishing the burden of inheritance taxes on heirs. The income derived would provide the capital needed for a strategy that would improve Hackett's land and economic prospects.

In the deal being considered, Hackett would sell an easement, valued at about \$6 million, over 100 percent of the family's land to the Pacific Forest Trust, based in Santa Rosa, or another land trust or appropriate public agency for a bargain price, donating about \$4.6 million of the estimated value.

Of the \$1.3 million or so he would receive in cash, 30 percent would go to capital gains tax; of the remainder, most would pay off the mortgage on the 1,400 acres of timber bought in 1989, to free him from pressure to cut trees prematurely just to pay his debt.

Land placed under the conservation easement could not be developed for uses other than agriculture. Certain important habitat areas, including streamsides, would be protected. In addition, the proposed easement specifies that the lands constituting the ranch (some 30 to 60 parcels, potentially) can never be subdivided. If the ranch is ever sold, it would be as a whole. This, says Hackett, would have advantages for a small resource company wishing to buy, for the property will have no associated speculative value.

Income from sale of the easement would allow Hackett to invest in improving soil on land degraded by slash-and-burn management, take measures against erosion, and provide water for cattle away from streams. And "we won't have to log for another generation," he says. In addition, he hopes to return to school to become accredited in fisheries biology and forestry or—if he can follow his dream—in both, following one interdisciplinary study program. He could then become a consultant on proactive ranching.

The entire proposal, however, is contingent not only on the Hacketts' agreement but also on the ability of the Pacific Forest Trust to raise the \$1.3 million or so of the easement's

bargain price. The Coastal Conservancy is considering a proposal that it chip in half the sum needed.

Hackett's experience as a sheep rancher and cattleman has been one of continual struggle, whether stretching dollars to make improvements (or simply to make ends meet) or fighting for survival in Sacramento through lobbying and legislative defense. Now he envisions a much more appealing future: sustainable ranching as an aspect of environmental stewardship. Ranching and timber harvesting are not inherently incompatible with environmental protection. Take the spotted owl issue, for example. There are lots of these owls on the Howe ranch. Although they nest in ancient forest, says Hackett, they forage in overcut areas. "I've had spotted owls follow me down the slope in logging operations as I was opening up canopy. Lots of fodder allows dusky-footed woodrats [a favorite prey] to thrive."

Others on the north coast are pursuing strategies similar to Hackett's. He points with satisfaction to groups of ranchers in Humboldt County, including the Bear River Regional Environmental Conservancy and the Yager-Vanduzen Environmental Stewards (the "YES group"), which undertake watershed planning, assessment, and restoration. The new Buckeye Coalition, a nonprofit landowners association, unites timber and rangeland owners in a stewardship effort. (See Coast & Ocean web page for contact information.) Members of all these groups concluded that something new had to be done, something that moved away from property-based management to a focus on the ecosystem.

"I still struggle with my courage on this," Hackett reflects, "because it's a complete deviation from everything that we've held on to for four generations here. Because we're giving up complete control, and we limit options." At the same time, he says, "I mapped out 500 acres—all the watercourses on this property that I felt needed to be protected given the terrain, given the slope and the soil—where we're going to let timber grow in perpetuity." The result, ultimately, would be corridors of mature forest and pristine watercourses, with steelhead, coho, and chinook spawning habitat.

His face glows as he describes his dream of making Howe Creek Ranch "a place where we all want to come, where it's beautiful and it gives a sense of serenity and spirituality. I think of the conservation easement as a way of protecting our heritage, of preserving what is dear to us." In his mind, it's an idea whose time has come. ♦

The full text of this article is in the Winter issue of *Coast & Ocean* magazine. To subscribe to *Coast & Ocean*, click [here](#). [Subscribe](#)

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