

## OPDR RP1 Attachment L

### Consideration of Financial Constraints:

Section 5.2.1 (e)(2) of the 2015 FOP requires that all financial constraints that could affect baseline growth and harvesting scenarios must be incorporated into the modeled baseline. It must be demonstrated that the growth and harvesting regime assumed for the baseline is financially feasible through one of the following means:

- A. Conducting a financial analysis of the anticipated growth and harvesting regime that captures all relevant costs and returns, taking into consideration all legal, physical, and biological constraints. Cost and revenue variables in the financial analysis may be based on regional norms or on documented costs and returns for the project area or other properties in the forest project's assessment area; or
- B. Providing evidence that activities similar to the proposed baseline growth and harvesting regime have taken place within the past 15 years on at least three other properties within the forest project's assessment area. At least one comparable site must be on land not owned by the forest owner(s) and/or its affiliates, and no more than one comparable site may be within the project area. Comparable sites on land owned by the forest owner(s) and/or its affiliates must not have had harvest activities within two years before the offset project commencement date. The evidence must demonstrate that harvesting activities have taken place on at least three other comparable sites with:
  1. Slopes, as measured by average percent slope, that are not more than 10.0 percent less than the average slopes in the project area or that use the same methods (tractor, cable, helicopter, etc.) for logging;
  2. Functionally equivalent zoning class(es) to the project area (if applicable); and
  3. Comparable species composition to the project area which may be evidenced by the following:
    - a. Comparable property species composition is within 20 percent of project species composition based on trees per acre;
    - b. Identical codominant species; or
    - c. Identical Forest Type as defined by the USDA Forest Inventory and Analysis Database Description and User Guide for Phase 2 (V6.0.1), Appendix D.

To fulfill this requirement, Option B was selected for demonstrating that the baseline is financially feasible.

A review of the publicly available California THP data from 2004 to 2019 reveals that there are hundreds of approved THPs within the same Supersections and Assessment Areas as the project area (Figure 1).

CAR1339/CAFR6339: Humboldt Mixed Forest Improvement Project  
Submission Date: February 11, 2020

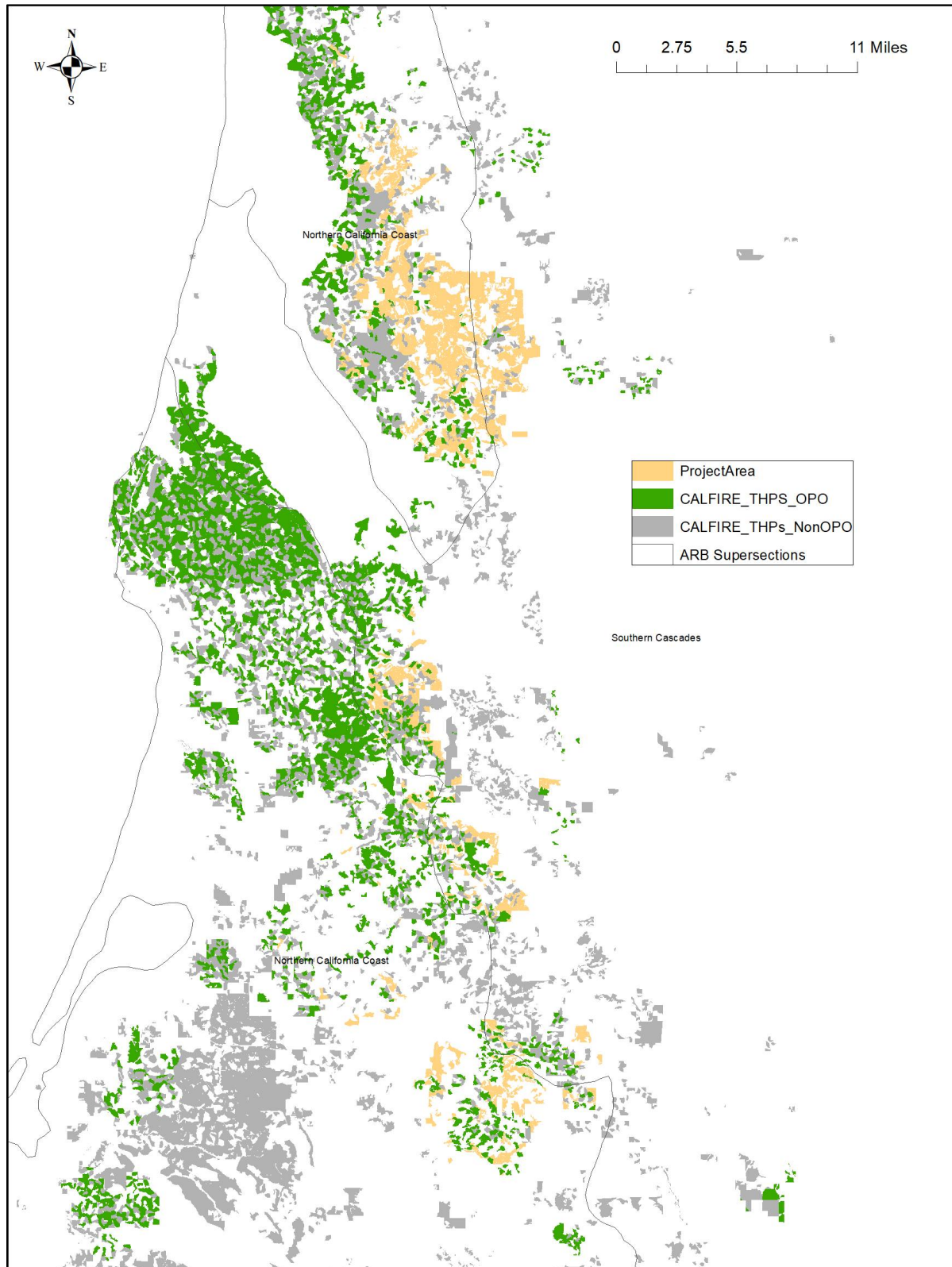


Figure 1: Approved California THPs outside of OPO's ownership (2004 – 2019)

Source: <https://forest-practice-calfire-forestry.hub.arcgis.com/datasets/calfire-thps>

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Three of these THPs were selected to demonstrate baseline financial feasibility (Figure 2):

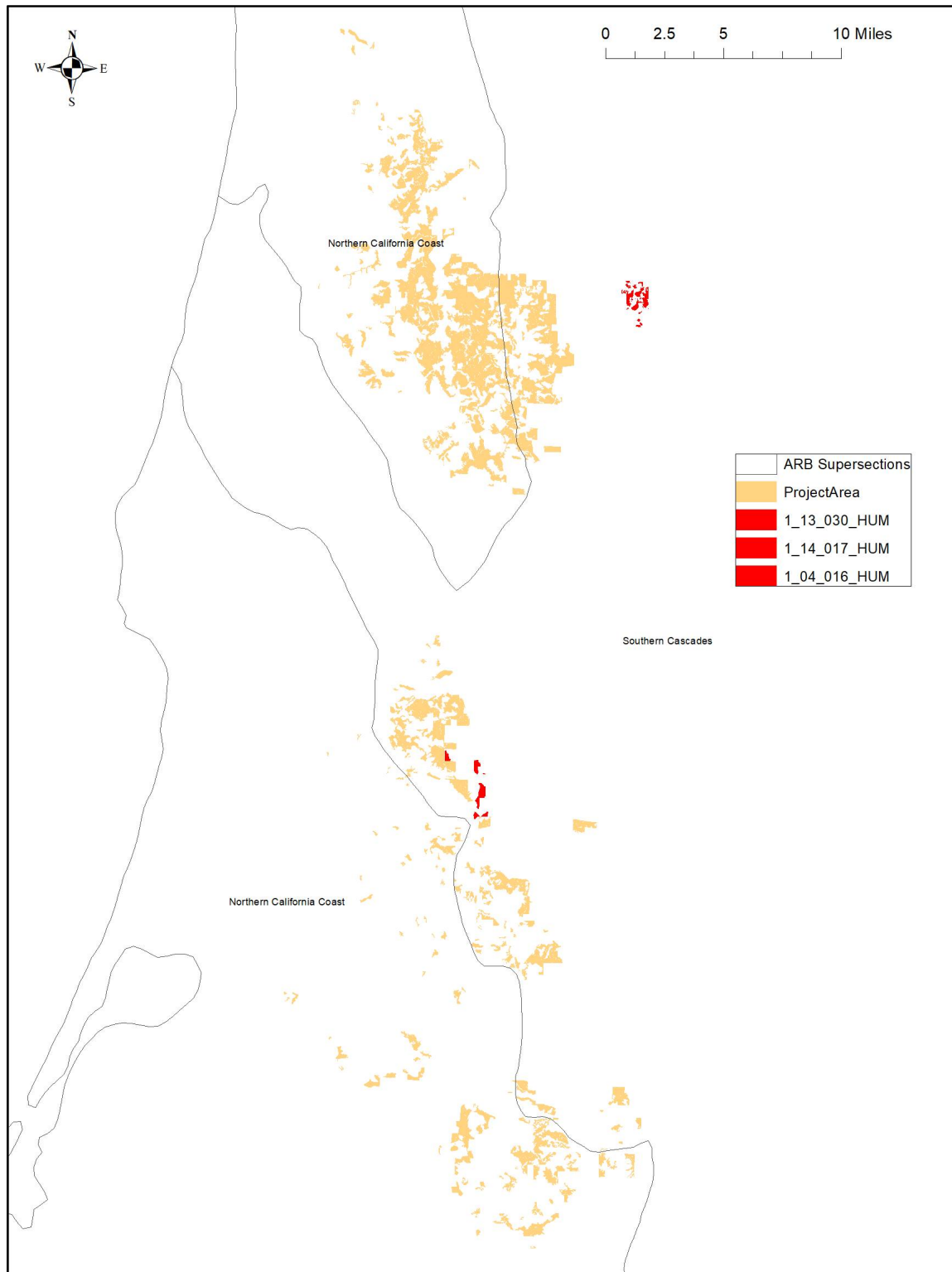


Figure 2: Selected comparable THPs

Source: <https://forest-practice-calfire-forestry.hub.arcgis.com/datasets/calfire-thps>

1. THP # 1-13-030-HUM: Lord Ellis #1

Completed in 2017, the Lord Ellis THP #1 is approximately 545 acres. Silvicultural treatments consist of group selection and rehabilitation of understocked areas. Harvesting was completed through both tractor and cable yarding systems. This THP is on land not owned by the forest owner and/or its affiliates.

2. THP # 1-14-017-HUM: Lord Ellis #2

Completed in 2017, the Lord Ellis THP #2 is approximately 300 acres. Silvicultural treatments consist of transition and rehabilitation of understocked areas. Harvesting was completed through both tractor and cable yarding systems. This THP is on land not owned by the forest owner and/or its affiliates.

3. THP # 1-04-016-HUM: Miners Creek

Completed in 2009, the Miners Creek THP is approximately 374 acres. Silvicultural treatments consist of variable retention. Harvesting was completed through both tractor and cable yarding systems. This THP is on land not owned by the forest owner and/or its affiliates.

**Option B Evidence Criteria #1:**

*Slopes, as measured by average percent slope, that are not more than 10.0 percent less than the average slopes in the project area or that use the same methods (tractor, cable, helicopter, etc.) for logging.*

The yarding methods between the sample THPs and the baseline are very similar as shown in the table below:

*Table 1: Harvest Method Comparison*

| Harvest Method          | Sample THPs | Project Area |
|-------------------------|-------------|--------------|
| Percent Cable Yarding   | 62%         | 72%          |
| Percent Tractor Yarding | 38%         | 28%          |

**Option B Evidence Criteria #2:**

*Functionally equivalent zoning class(es) to the project area*

All THPs are zoned the same as the project area = commercial forestland subject to the California Forest Practices Rules in the Coast District.

**Option B Evidence Criteria #3:**

*Comparable species composition to the project area which may be evidenced by the following:*

*Comparable property species composition is within 20 percent of project species composition based on trees per acre.*

*Table 2: Commercial Species Composition Comparison (% based on TPA)*

| Species     | Sample THPs | Project Area |
|-------------|-------------|--------------|
| Tanoak      | 62%         | 72%          |
| Douglas-fir | 28%         | 21%          |
| Redwood     | 7%          | 5%           |
| Hemlock/Fir | 3%          | 2%           |

The species composition from the comparable properties is within 20% of the project area's species composition based on trees per acre.