

Upper Teanaway

Subarea Planning Process

Transcript of
Teanaway Subarea Planning Process
Public Meeting
Thursday, September 17, 2009
Swauk-Teanaway Grange

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PUBLIC MEETING OF AMERICAN FOREST, LLC - 9/17/09

ANNA: I think I recognize some of the faces, so I know some of you have been here before. So the agenda was on the table when you came in. Hopefully, you all grabbed it. We are going to do essentially the same format as the last meeting for those who were here.

The very first meeting that we had in August was an open house, just some stations where informal discussion with the planning consultants, and American Forest Land Company was there as well. And the meeting that we had last September 1st was taking oral comments and, essentially, we are going to continue with that oral comment theme tonight as well as October 1st. And then we will be coming back to you on October 21st with a combination open house and oral comment where we'll be reporting back on the things that we heard and where we go with the next steps in the planning process.

So, tonight, some of you who were here last time, we handed out a planning principals document. It is also on the table on the back for anybody who's new who hasn't picked it up.

So we're going to build on some -- what we -- we put three categories that we've been building on: Environmental stewardship, community benefits, economic vitality. And Fred Ruro, who's also a planning consultant working with the County, he is going to be marking down new things he hears. And kind of the things that have been repeated before, he'll note those as well.

Another thing we're going to be doing is identifying questions as we hear questions during your comments, and as we've heard questions in previous meetings, we're in the process now of putting responses to some of those questions on the County website. So we're hoping to get that up on the website next week.

One, some comments came up at the last meeting regarding the Teanaway solar reserve conditional use permit application, and I wanted to explain for anybody who wasn't at the last meeting that that's a separate planning process. That's a development application that's been made to the County. They submitted it on August 18th. The conditional use permit comment period ends tomorrow, but the County is still taking comments on the environmental impacts and the development agreement up until I believe it's October 1st. Sorry, I can't memorize the date. But there is information on the website or you can get information at a Community Development Services Department on that.

Let's see, I want to make sure I've got everything here. We are, as I mentioned -- we're recording this meeting. If you have the desire to listen to comments from the last meeting and you weren't here, you can go to the community services -- development services department and request a CD and they'll provide a CD for you. And we had 17 people provide comments so it won't be a lengthy CD if you want to listen to that.

Tonight, we have about -- we only had six people who signed up, although we had a lot of people who signed up last time and for those of you who were here, a lot of people ended up not speaking or were unable to make it so I am going to start out with the first person.

Brian Pagnelli, are you here?

So -- and then -- so Wayne Schwandt from American Forest Land Company, I know you're here. Thank you.

WAYNE: Thank you, Anna. Let me take just a moment and get my Power Point presentation set up here.

Thank you. My name is Wayne Schwandt, and I am a managing director of American Forest Land Company, and we have two other members of the managing group here today. Many of you know Jeff Jones. Jeff, I think, is behind me here. Jeff is one of the principals and a managing member, and Chris Bailey is with us, too. Chris, maybe you could raise your hand so people will know who you are. There are a couple of others from both here in Washington State and out of state that are also managing members, but we will always refer to ourselves collectively as those managing members of American Forest Land Company.

I want to thank everybody for coming. I appreciate it. We really do appreciate the chance to sit down and talk about this. I know everybody's anxious to hear about what we've got in mind, and we'll be going through a number of items here to talk about what it is we have as a vision for the Teanaway and our property, but, of course, it spills over into the entire sub area that we're planning for.

The organization of my comments tonight are we will talk a little bit about the background, we'll talk a little bit about why American Forest Land Company is involved and supportive of this planning effort, and then we'll get into an overview of the vision. And I don't want to raise your expectations, I won't be giving a lot of details tonight, but I think you'll get a very clear understanding of what it is that we think is important. And I'll just say -- I'll come back to this a number of times

during the evening, and that is that in all of the comments -- it's a bit of an overstatement, most of the comments that I've heard in the last two meetings and in the conversations that I've had on the street with people in the community that there are many, many things that we're going to talk about tonight that are very much in sync with what the rest of the community wants to see happen in this property.

So thank you again. Thank you to the Grange -- to the Swauk-Teaway Grange, the great job, and appreciate what you've done in providing us with the great refreshments on each one of these meetings. And, again, thanks -- I didn't see Curt come in -- is Curt here tonight? He had another meeting. And Commissioner Jewel -- I did see Commissioner Jewel -- thank you again for what you've done.

Here's a map. You've seen this map all over the place. It's the same one, and the purple outline there is, of course, the sub area planning process and the darkened area is the property that is owned by American Forest Land Company. So you can see that in one instance, you know, we are the 800-pound gorilla in the room that has both positives and negatives, and we'll try to deal with both as we go through the discussion tonight.

This is one of the great views and if you haven't seen Bible Rock, we'll -- we should make sure that everybody gets a chance to get up to Bible Rock and look north up the valley into the Stuarts. I'm sure most of you are very familiar with the area, and I won't -- I don't need to point out geographic features. When we get to the end of the presentation, I'll ask Jeff to come up here and talk a little bit about the orientation of the valley looking at a photograph that was taken in 1936.

This is a copy of the -- from the resolution that the Board of Commissioners adopted establishing this process that we're engaged in now, and I'm sure you've all seen it. If you haven't, it's on the website. There's copies of it here, I think, this evening, and I'm certainly happy to print this out for anybody -- I have my little printer with me -- that wants to look at it. But these are the things that the County wants to have come out of this planning process, and these are the things that are very important that they have said, take a look at this and make sure that these are addressed in the planning process. And in achieving this goal -- and this is very important, that want -- they were very clear that we needed to be in compliance with GMA and that we take -- make use of the full complement of tools that are available to us collectively, that is, "us" as the community, to see about this issue of rural development in an area where the economic conditions have changed dramatically just in the recent years. Very important. If I can do anything tonight and keep reminding us to keep -- go back and look at the direction and the charge

that the commissioners have given us, I think that's a great outcome for this evening.

Here's just a -- these are the quick -- the planning principals that Anna's already talked about. These are the things that guide us in -- as American Forest Land Company and also guide this group and this effort that there are things there that we should be thinking about all the time as we search for the solutions to the problems that we're going to be encountering and that we are encountering.

I'm going to skip through these next ones really quickly. These are the statements of planning principals that you and the community have offered up in the last two meetings. And -- are they up on a board here somewhere? Okay. So I just put them up here because it's very interesting to read these and know that the kinds of things that are of concern to you are certainly of concern to us, and there's the one of economic vitality. We won't spend time walking through those because you'll have a chance to read those on your own, but this process that we're in is very, very important in that it allows all of the stakeholders, I mean, not just us, but everybody who has a position in the Teanaway and that's residents, partial-time residents, recreational users, institutions, state agencies, federal agencies, the Yakima nation -- there's just so many people that have an interest in what happens in the Teanaway, and we are excited and happy to be a part of the process that is going to look at the future for the Teanaway.

Now, I want to say this before I leave these planning principals that you'll see up there that there are -- that what we've heard from everybody -- not everybody is exactly in lockstep on this thing so not everybody will have the same overall vision for the outcome of the planning process, and we shouldn't. It's simply there's going to be conflicting points of view, and what is important about that is that the process is transparent and that we work through it together, and I'm always available to answer your questions and respond and, hopefully, as we go through the next several months, we'll come up with a plan, if not all of us, most of us can agree upon.

So why are we involved? First, decline of the timber industry. And, you know, we spent a lot of time talking about this at the open house. That's the first -- the first thing that obviously got us thinking about what's the future going to hold for us. And before I go into some of these specific items here that you'll have a chance to look at in the future, let me say that there are -- we look at this from two different perspectives. The first one is that what is it about the current conditions and the conditions of the immediate past, several years, that have kind of pushed us toward this need to look at the future in a broader sense. What are the options out there for

us? So there are a number of things that have pushed us in that direction. Certainly, the decline of the timber industry is the largest one.

The second group of reasons are those that attract us to look at change, and I'll talk about those in just a moment. But it's -- it's a push and a pull, and we need to kind of remember that there's not one single thing that is leading us as American Forest Land Company, and us as a community, toward looking at what the future should hold for us. This is a quote from a report that we had commissioned by Larry Mason and Bruce Lippke at the University of Washington because to try and make sense in one area, you know, what has happened in the timber industry on the east side of the Cascades.

So he -- they took a look at Klickitat, Kittitas, and Yakima counties, and it's a startling difficult read for people who have been involved in the timber industry over the years. But here's one of the quotes from that report that will be made available to you: "From 1985 to the present, timber harvest in Kittitas County dropped by 94 percent." Oops. Somebody wants to fix my computer. Astounding. And Kittitas County has been the one that has suffered most on the east side. Another quote: "In spite of that -- and that's not quite the right way to put that, but, you know, going along with that -- "there's been rapid population increase. In fact, faster than any of the other counties over here on the east side that we're dealing with. It's astounding how fast Kittitas County has been growing. Faster than the average rate for the state. And a lot of it is that it's a close proximity to Seattle. It's a part of the Orbit of Seattle. Massive Seattle is stretching out here to touch on Kittitas County, and it's not going to stop."

Here's some other ideas -- thoughts that came out of the Mason-Lippke study that are chilling in the long term. The first one there is we conclude that the effective end of commercial forestry in Kittitas County has arrived. It's gone. Then they go on to discuss that in a little more detail. Part of the reason that it won't be coming back is the timber industry support is gone. You know, in 1990, there were ten commercial-sized saw mills over here in these three counties, and now there's one that's available to -- to timber producers such as American Forest Land Company. Skilled labor is disappearing. It's not being replaced from the current generation. The people who really know how to operate within the timber industry, they're moving on, they're being retrained; and the newer folks, the younger generation, simply aren't -- there's no jobs to be trained for, and they're not moving in and we're losing that capacity.

In Washington, is to note there are 10,000 timber-related jobs lost since 1988. That's an astounding number to me. 10,000 jobs are gone. And then there -- here's

the fellow here that works in the Employment Security here in Kittitas County saying that the trend is for slow, steady, declining employment in the wood products industry. These jobs are gone, and they're probably not coming back. And that was his quote from just a couple of years ago.

So one of the conclusions that they draw out of the study is that given the current circumstances in Kittitas County, planned residential and recreational development may ultimately be what is needed to create forest asset values that summon investments to save large acreages of the private forest. The point they're making here, and I didn't put it up on the screen, is that -- that even if you put forest land into nonproductive status, it still needs to be managed. It still needs to be maintained in a way that deals with disease and fire danger, and that takes -- that takes money, and it's unlikely to come from the public sources.

So that -- those are the kinds of things that have been pushing us to where we are today. Before -- before I start talking about the things that are attractive that we should be thinking about, just a couple more comments on the timber. You know, AFLC owns just over 51,000 acres, and what we see in the Teanaway is what we call the main block, and then we have some property over at Cabin Creek and then over at First Creek. This is my own summary so you can't lay this off to Mason and Lippke, but if you were -- if we were to have a mill come in here of today's standards in a modern mill, it would take to support it a wood basket of over 300,000 acres to put that mill on a sustainable basis and, obviously, it's not going to happen just because American Forest Products or First Land Company wanted to start logging again. It won't happen because in order to get that type of volume, it's going to take state and federal lands and there's no -- no vision on the horizon that those are going to be reopened for timber harvesting. So we are -- we have concluded that the timber industry has essentially left our community.

So here we're going to talk now about some of those things that attract us to thinking about how can we do this? How can we keep what we have and that we all think is important for the coming years? And, in fact, we started using the word "perpetuity." And I'll come back to that later, and there's a specific reason why we talk about perpetuity and that is because at the end of the day, all of these processes we're involved in including this one, it's a political process, and political ideas and thoughts and theories change over time. And if we have, as we should have, at least a hundred-year planning horizon, we know that things can change over time. So we'll be coming back to that idea of perpetuity, because I think that's an important one as we look at the Teanaway.

We've had as a company, following on Boise Cascade, a commitment to public access. People can use our forest lands, you know, and you know that. It's the gateway into the national forest to the north, lots of uses -- hikers, bikers. This is Bible Rock, by the way, for those of you who haven't been up there. A very cool place by the way. Spectacular place. Summer and winter, there's all these recreational uses of the land that we have all come to enjoy, and we want to find a way to make sure that that continues. This -- let's see I've got another picture here.

Many of you know that we do have a couple of campgrounds on the area -- or on the property that we maintain and operate, no charge. They're used quite heavily during the summer months, especially over the holiday weekends. So it's a benefit that's appropriate for the community, and we think it's -- again, it's something that should continue on into the future.

So as we looked at, you know, what are our options? A couple of things come to mind, and I think you all know that a lot of our property is currently zoned forest resource. And it's -- it allows for 80-acre property sales for residences. And this is a schematic that just kind of shows what can happen over here on the left, you know, if these are all 80-acre parcels in schematic. You've got a road going in, and you've got a residence in the middle, and things start to get broken up into smaller and smaller pieces and lots of problems come out of this because there's often a lot of impetus to fence off each one of those 80-acre parcels, and that impacts the ability to move through there not only the recreationalists, but the wildlife.

There are other ways to do it, and this is one of them. This is called a cluster development, same area, concentrate the development -- the residential development in one area and leave the vast majority of the land available for habitat, for other kinds of wildlife and other kinds of shared resources. It's not this basically. This same amount of land and the homes would be much closer together and then there would be shared and open space.

So as we look at the AFLC property, and this calls it out in kind of dramatic terms, inside the planning area, there's a little over 46,000 acres of our land, and we have -- our property is in the forest resource -- most of it is. We also have forest and range, and we do have some of the rural residentially too. We have no ag land in our ownership. The reason I wanted to put this slide up here right now is this comes back to that idea that -- that clearly what our interests are, are they way heavy on the entire property, but it -- but what it also says to us collectively is that's a resource to solve some of the problems that are out there. And we'll talk a little bit about those, but just -- but my caution is don't always think of the very large landowner as being the big mean bully on the block. The large landowner

also has the capacity to do things and solve problems that can't be done by smaller landowners even when they act in unison. It's just a fact of the way things work. And so working with us collectively in this process, I think we can come up with solutions to these -- to these problems.

Another idea that I want to pursue here real quickly, and it ties back to what pushed us into this is that, you know, economic development and the economy is extremely important. It's not only important to us in a return in our investment, but it's important to the entire community -- the Kittitas community, and we have to think about economic development. And one of the things we should consider in the Teanaway sub area is that this is a resource that should be considered as we discuss economic development. I take you back to the commissioner's resolution which challenged us collectively to balance the economic, the environmental, and the esthetic objectives with an active use plan.

So we're going to -- we'll talk a lot about sustainability. Sustainability is a three-legged stool where I come from: It's the economy, it's the community, and it's the environment.

Here's one of the things that's very important to us as a group from Jeff and his work over the last, what, 30 years on the property? That make you too old, 30? Okay. The river is the heart and soul of the property. And we know from talking with the folks that are directly involved in fish and wildlife that it's not a healthy river. So as we think about the future of the Teanaway, we should include in our planning what can we do to rehabilitate, to make sure it's damaged no further, to improve the capacity of the Teanaway for wildlife and habitat and -- and as we do that, we heard loud and clear in our conversations that it should be done with a eye to making sure that the agricultural community that thrives in the valley is sustainable and is not threatened by -- by the types of development that has been occurring elsewhere.

We've got -- in our idea, there are a number of developments and uses in the property that both add to the economic development of the area, but also help meet the needs of those users of the area that we've talked about in the past. This is just a picture of a building, but it's a typical type of idea here where somewhere on that property, there could be nonresidential resorts. We heard others speak, for example, when they were talking about horseback riding and snowmobiling that if there was a place to come to and then go out from on their recreational excursions, that would be a great benefit to them. And this can be done in a very environmentally friendly way and be both a wonderful economic boost to the community but also support then a broader use of the property.

These are just some other images that we -- it's pretty clear that we haven't gone into any kind of design detail or thinking about exactly what this property will look like but -- but, clearly, the property lends itself in many places to -- to a type of development that is respectful of the land but takes advantage of the -- of those items that are out there, those areas that would be supportive of a -- the diversity of the housing types of activities.

Also, I don't know if I have -- this slide actually is tied to something I'm going to say in a little bit, but I'm going to talk about other potential uses in the Teanaway. It's important to think of the land out there as being -- supporting multiple uses, and sometimes that's a hard concept to keep in mind, but as we look at the forest land in the Teanaway, we think that it should be managed in -- in the event, unlikely as it seems to us at the current time, that a need for timber harvesting activities returns, that it's ready. So it needs to be managed as in a way that it will produce and supply timber to a marketplace if that market and the supporting infrastructure returns.

Also, there's opportunities throughout the property to promote green energy. Clearly, we're involved in that. We've leased the property to the Teanaway Solar Reserve. We're supportive of green energy, and we think it's -- frankly, we think it's probably the future -- one of the future industries of both the Teanaway and Kittitas County.

Now I'm going to start talking now a little bit more about the vision and in some more detail. The overall vision that we have is to create a sense of community that is inclusive and diverse, enjoys the highest environmental ethic, provides the widest range of land uses including agriculture and forest resources and, where appropriate, housing options in rural and urban settings. Anything -- any type of rural housing must preserve the maximum lands for open space, recreational uses, and protect the vistas. Anything that we do would require a stewardship set of principles on the land for conservation of the land and all of the other natural resources and, especially, the water.

I'll say here unequivocally, there is no plan for a gated community. This has nothing to do with exclusivity. This is all about inclusive, about community. Water, as everybody knows, it hits over the head on a regular basis, is and will remain for some time the critical issue. Not just for us, but for all of the users in the valley and beyond. Now, although we -- as AFLC have significantly adjudicated water rights on our property that allows us to move ahead with this planning effort, I think we come back to that concept that with our property

working with you, there is a chance to look at new and creative solutions to the water problems that plague us all.

One suggestion that came up in the prior meeting was that there probably is both a scientifically-appropriate and an engineering-capable way of capturing the spring runoff and metering it out over the summer months. Don't know how to do it. I'm not an engineer. But those are -- those are the types of things that we should be looking at and finding ways to solve the -- those kinds of problems that affect all of us. This -- now I've caught up with my slide.

This is a picture of a way of dealing with waste water -- sanitary waste. This building right here is a sanitary waste water treatment facility. It's a -- it's a manmade wetland contained -- self-contained. It's called -- it has a trade name. It's called the "living machine," and I've used it before in other applications. It takes very little space. It's natural. It does not take a lot of energy to run it because the water moves through the system by gravity so there's not a lot of pumps and high pressure pumps and all that kind of stuff, and lifts. In one application, a living machine that was in a building about that size of about 5,000 feet provided all of the water treatment services for development of 140 houses. To human contact levels. The result of that type of an approach to water is, Number 1, you're not relying on septic systems, which when done correctly and maintained well, work wonderfully. Obviously, they do, they've been doing it for hundreds of years, but in areas where the soil is suspect and there is a need to manage the water all the way through the system until it goes back into the system, this type of an approach -- it's not the only one -- but this type of an approach carries great benefits for all of us.

This is almost like borrowing the water. You take it, it's diverted, it's used in the human contact, it gets used through the household, it gets treated, when it leaves, it's class A water, human contact, it can be used again in a house, it can go into the subsoil and back into the hydrology of the area. I'm not sure what the consumption rate is when it goes through the household like that, but I can say that most of the water goes right back into the system.

Now, here's probably what you are most interested in -- it's not that. There is in our thinking a -- an area in the Teanaway -- we've run out of tape? Okay.

There's an area in the Teanaway where a village, a community that has more urban style uses can be located, and those types of uses are -- you know, they're the typical that you would find in any organized community: -- schools, public services, retail area, housing, obviously -- and a focus on, again, economic

development, and the kinds of economic development that we would envision in this planning area are those that rely on brain power. This is not an area of manufacturing or trade or anything like that. It's an area that would attract the types of residents and users and businesses that made use of their brain power.

One of the ideas that we're exploring is that in this -- in this community would be a joint venture of some kind, unspecified, with Central Washington University that could build on the relationships of the university and into its broader community and the special areas of the Teanaway. There's just -- there's just many, many kinds of issues and problems out there that could be attacked through that type of public-private partnership, and just one of them is energy, how to use it, how to -- you know, here's one of the really interesting things about all this green energy. It doesn't work very well together. You know, the wind comes and goes when it wants to. Solar is actually fairly, fairly predictable, obviously, during the day, and it moves in its productive and pretty narrow range. But how do you work those together in biomass? If biomass comes along and it becomes a viable alternative, how do those three green energy sources work together? It's an intriguing problem but certainly one that is solvable.

So I've come to my conclusions, and before I do that, I'm going to show you a couple of slides here from Casland, and I'm sure most of you know that there was a community in -- in the Teanaway back at the beginning of the last century. It was the community of Casland, the town of Casland. This is a map from a very cool book called the "Pine Tree Express" written by Eugene Henderson. It's available in Ellensburg at the bookstore. Fascinating read about the early timber harvesting that was going on there in the Teanaway. And this little town actually existed. I know it's kind of hard to read but here's some photos. 1903 to 1906. It's right near the confluence where the three forks come together.

This is a map -- and I'm sorry it's so faint. It's difficult to read. But this is an interesting map because it shows where the Cascade Lumber Company ran its rail lines all up through the valley and up the drainages. Many of the roads that are in there now just followed those old grades that were put in. So to think about the Teanaway as pristine, that's probably not a correct characterization of it. It is -- it was heavily used, urban style developments, throughout at in its history.

It's at a point now where there is a change coming, and we collectively need to find a way to do it. Because, you know, if -- and I'm going to say something here that unfortunately always comes out as a threat, and I have no other way to say it so I'll just say it. The -- we are, as a group, totally opposed to carving up the property into lots and selling them. It's -- it just makes no sense. It impacts so many people.

It's probably not, in the long run, the best economic solution, but it may be the only solution unless we come together and find a way that allows the vast majority of this property to be kept in the uses that we've all been using it for, for the last 50, 60 years, but always allows then the property owner to have a return on their investment.

So I'm going to ask Jeff to come up here and just -- because this is another old photograph. This is an aerial photograph of the Teanaway from 1936, and Jeff can kind of point out some of the things for those of you who would -- who can't follow what's going on there.

JEFF: I'll just stand up. Everybody can hear me okay? I've been associated with this property for 30 years, Northern Cascade, previously. But anyway, in this County, there's a wealth of historical information and knowledge, and it's amazing what you can find when you start snooping around. I found these 1946 oblique photos at the Forest Service way down in somebody's desk, and they allowed me to take them and make copies of them. But, basically, what you're looking at is the main stem Teanaway coming up. You're looking at the center part of the Teanaway. That's Story Crook Flats there. There's Mount Stuart in the background. So, basically, you're looking up the North Fork, Lick Creek area is over in this area, and if you look really hard, there's no county road. This was before the county road was actually put in up the North Fork. The county road was actually on this old story crook road and followed the bluff all the way to Dickey Creek. And I've got a whole set of different angles looking at the Teanaway from the air.

The reason why the Forest Service took these pictures is they were looking for grazing land back in 1936. So what they were looking for is open expanse land so that they could do grazing allotments for sheep and cattle. And what's amazing when you look at this photo, obviously, it's been harvested -- it was harvested from 1903 up until the war years. So you look a lot -- a lot of these hillsides are all fairly bare because a lot of the Ponderosa pine and Douglas fir was taken off. But it's amazing looking at these because you can actually see the town site. You take a magnifying glass, you can see the buildings down here in Casland. You can see old homesteads up the draws like Indian Creek and Rye Creek and some of the other different draws you'll see buildings.

WAYNE: Thanks, Jeff. So just by way of conclusion, we believe this planning process is the best way to solve these broad problems that we all share. Again, we won't agree on everything. I'm sure many of the things I've said today caused a catch in the throat of many of you, but we're here to talk about them. This evening

is not set up for question and answers. I will be here after the meeting to talk with people who would like to. I'll be at every meeting going forward, and we will continue to work through the issues, talk them out, and follow the commissioner's charge to us. And I do believe that we will be able to come up with a new way with dealing with rural development, development pressures on communities like Kittitas County and, actually, we are so positive about this approach that we -- we really think that what we're -- what we can do here can become a model, a model for sustainability, for a better way to approach rural lands and their use, much along the lines of the Cascade Land Conservancies, Cascade agenda for the next hundred years. So thank you. I went over my 15 minutes, didn't I?

ANNA: Yes, you did.

WAYNE: I knew it.

(Applause.)

ANNA: Thank you, Wayne. I actually didn't stop you, and I know we all wanted to hear, and I only have four other names on the list. Also one of the gentleman who signed up on the list said he sent in an e-mail that I unfortunately didn't get, so if there are others who sent in e-mails asking to sign up, and I don't mention your name, you can raise your hand, please.

So Jack Jensen was one of the names I had on the list.

JACK: Thank you. My name is Jack Jensen, and I own a property -- a small, small farm in the north Teanaway. I don't have a presentation, just a few remarks about some of the impact on this property and what kind of an impact it has on the lower Teanaway, both in terms of property owners and fish and wildlife habitat.

Foremost, I support and respect the rights of American Forest, the fair compensation for the land; however, as a responsible landowner, as we all are or many are here, I would remind the obligation of men of -- to be and remain a good neighbor to the community. As American Forest values its assets here, I want to emphasize that they look for markets for the property and make careful consideration for precedent use of the property already established by the public and property owners.

The property that we're looking at, the 46,000 acres, is a rich and natural resource. I think we all know that. But something to emphasize here is what happens on this property, whatever happens here in the water shed, is amplified as it comes down

to the lower Teanaway and property owners there. This includes runoff, the livelihoods of everyone in the valley who makes their livelihoods depending upon the river. And what's crucial here is the water quality, the flows, the river dynamics, and the source for fish and wildlife.

There's a couple crucial remarks that I'll ask American Forest to look at very carefully when they plan any transfer or sale of these properties. No. 1, to utilize preservation management, preserve what we have. It's working. A couple of notes about the lower Teanaway. You double your fisheries inventory fourteen salmon rigs on my property this past summer. Noah had started a salmon and skullhead counting program some years ago. It's working. They're counting Coho. So what's in -- a restoration program in need is working. Again, what happens negatively in the water shed will impact what great efforts have been going on for some years.

I'd like American Forest to consider a mandate for corridors, for trails to access, and also for wildlife. Wildlife are constantly moving through this area. This includes elk, deer, beaver, turkeys, birds, birds of prey, I see them every day. Also protect and conserve the current recreational uses in all the development plans.

No. 4 and 5, preserve the open character and the open access to the property. A consideration that I have would be to move this property or transfer this property into a conservancy or a public trust. That's about it.

In conclusion, I'd like to make special thanks to American Forest, the principals that are here for providing a public forum to discuss this and present ideas and considerations along the way, for the government agencies that are represented here as well as accountants, consultants, the consultants, the engineers that have been retained for these sessions. Thank you.

(Applause.)

ANNA: Thank you, Jack. The next name I had was Greg Ballard. He signed up at a last meeting, so it looks like he didn't make it back.

Jim Helstrom.

JIM: For the record, my name is Jim Helstrom, and my wife Judy and I reside in the Kittitas Valley. We're not upper county residents; however, we're no strangers to the Teanaway, and I guess I'd have to say, most specifically, my wife is no stranger to the Teanaway. We expend a lot of resources and devote a lot of time to

our horses and Judy recreates up there in the Teanaway far more than I do. And I was asking her earlier this evening how often, and she said, well, this summer wasn't as often as last summer. Last year she said she was up here as often as four times a week. And I don't think that's necessarily unusual.

This is a tremendous natural resource, the Teanaway, and it's used extensively by a lot of people, not just local residents, but a lot of people from outside the area. I know we've drawn a lot of them into the Teanaway and helped them learn to appreciate the resource there, and we find it to be a very desirable and invaluable recreation resource. And I think it's an economic resource. I'd like to have some of the money that's been expended on fuel and restaurants in this area to get in and out of the Teanaway.

And I'm here to speak in opposition to this proposed development of this property, and I never thought I'd find myself doing it because I'm a firmer developer -- firm developer -- firm believer in private property rights. But I think we have to note that there's a significant difference here. We're not talking about customary private property. We're talking about natural resource lands, and natural resource lands have always been treated differently. They're subject to different rules, and they're subject to certain benefits that arrive from stewardship of natural resource lands. And I think anybody that acquires or owns natural resource lands should never approach it with the assumption that it's entitled to be developed.

And I'm not indifferent to the plight of American Forest Land, and I don't necessarily subscribe to some of the criticism that's been aimed at them for the stewardship of the land up until now. Yes, they harvested pretty heavily, but we all understand they had debt to retire, and from what I understand, they are engaging in good reforestation practices. But if I understand it correctly, what we're facing here is economic uncertainty because of harvest restrictions due to the presence of spotted owls and harvest restrictions that are limiting their financial options. But I think it's important to note that the potential for those restrictions resulting from spotted owls was present when the land was acquired. Now that those restrictions have been invoked, they want to change the rules to make it possible to develop the land for residential properties.

And, yes, they have the alternative of 80-acre parcels, but we all know how unrealistic that is. But I think all of us in the room would like to have the opportunity to, when we make a bad economic decision, come and ask for a change of the rules so that we don't suffer those economic consequences, but we don't have that much really. And I question why an economic problem affecting

one landowner in the same way that it can affect every owner of timber land in this state and does affect every timber landowner in this state, the justification for the dramatic changes to land use regulations we're facing here.

They cited 94 percent decline in the timber industry, and the effective end of commercial forestry and jobs gone, skilled labors gone. This hasn't occurred overnight. This has been going on for a long time, and I think much of these factors were in play when that land was acquired by American Forest Land. And the life of a forest isn't measured in years. It's measured in generations, and you can't unring the bell. And if this forest land is developed, it's -- it's gone.

And, you know, we oppose this proposal because of the obvious cost to the environment. And it's been mentioned, you know, wildlife is in abundance up there. If you don't believe, just spend some time up there, especially the elk herd and the deer. Judy was up there recently and saw one of the biggest racks imaginable. And that's been a long time that resource being developed. And are they going to be displaced or where are they going to go? How about the loss of recreation and the economic loss from visitors and the quality of life? I think it also has to be concerns expressed about the obvious costs that will have to be borne by county government and, in turn, shared by all of us that are residing here in the County.

We're going to be faced with additional roads, road maintenance, winter access, life safety issues. You know, whether it's a clustered village or disbursed development, it's development in an isolated area. And serving the disbursed population like that isn't going to be inexpensive, and I think it's important to note there's one road in and that same one road out. And there's going to be an impact on schools, although what I read in the paper the other night, the Cle Elum School District would welcome some new students, but I question how much they could sustain.

I think, you know, the argument's been raised. The County's going to benefit because of the increase to the tax rolls and increase to economic activity. Well, that claim seems to be in conflict with what we oftentimes hear city's bemoaning, and that is that tax revenues generated by residential properties by no means enable them to meet the costs they incur. A city without an appropriate business tax base faces serious problems. And the economic problems that the county government here in Kittitas County faces aren't going to be solved by a few more high-end residences in a disbursed area.

And then let's talk about -- or consider for a minute the potential benefits, the economic activity. Wasn't that selfsame level of economic activity supposed to occur as a result of Suncadia? Well, I don't think there's any denying that there was a significant amount of one-time-only construction dollars. But if anyone's visited Roslyn and Cle Elum lately and counted the missing businesses and vacant store fronts, that seems to be at odds with what we were all led to believe was going to happen as a result of Suncadia.

In fact, Judy and I were up at Roslyn a couple weekends ago for the quilt fair, and I was amazed at the lack of economic activity up there. And, you know, there's no denying, a lot of the upper county residents view Suncadia as an exclusive enclave, and some of its gated with much of the purchases to sustain that lifestyle being made elsewhere, and the residents there are not a very active participant in the local community. And would this development be more of the same?

And, yes, I heard one of us said resoundingly, This is not going to be a gated community. But when you look at the type of development that was shown here as being desirable, there's one thing you can't escape, and that is understanding that that's extremely expensive development and that's not development that's going to be affordable for county residents here to invest in and buy into.

But over and above that, when you think about this, I think those issues are pretty insignificant when I know you look at the real issue that's going to arise as a result of this, and that's the overriding and compelling issue of water -- or lack thereof. And, you know, everyone here in this room is aware of the moratorium on exempt wells and, you know, I think all of us share in a belief that this problem is worse than it should be, and we've had problems with leadership being able to find a way to truly address it, and that's both state and local level, but it's a reality. That's what we're living with.

And a lot of you people up here in the upper county, there's no -- none of the property owners are denied the right to develop your property that's already zoned for and entitled to be developed. And there is a lot of you facing the economic consequences that in spite of being entitled to expect appropriate use of your land, you're not being able to do that because of the moratorium. Now, as far as I'm concerned, when considering compounding what's an absurd situation by bringing online how many new properties, how many new wells, and how many additional water demands and at what cost to the citizens of Kittitas County. And I heard that there's significant adjudicated water rights held by American Forest Land. I understand that. But I also have to raise the rhetorical question, are those water

rights accessible for this development without approval of the change of use, without approval of pointed aversion?

And there has been much said about new technology. Well, I don't care what new technology you bring to bear, it has to be in conformity with existing water law. And there's a lot of creative people been trying to do just that and it hasn't happened. You know, you talk about adjudicated water rights, we don't live in a vacuum and all of us are well-aware of the American Forest Land property out there at the junction where the Middle Fork Road breaks off from the main road and the pods that were installed, what, last year, year before, and all that water that's being disbursed on land that's being put to no use.

We all know what "use it or lose it means," and that water's being used. Beneficial use, I question it, but it's being used to preserve the water right. And I'd be doing the same thing if I was in that -- in their position, but let's not fool ourselves. This isn't going to happen in a vacuum, and it's going to have significant impact on the water circumstances in this basin.

I alluded earlier, this doesn't happen in a vacuum. Everybody in this Yakima Basin is watching what's going on up here, and there are a lot of people looking to use this as an opportunity to capitalize on it for their own means. And as an example, you'd have to cite the circumstance where there are people that are advocating that we do a ground water adjudication. Well, we're just coming off of 30 years of Aqua Velva and surface water rights and ground water adjudication, the ramifications for that just don't quit. And if something like this were to add impetus to that kind of activity, I think the consequences are amazing to contemplate.

You know, I look at it, what would the legacy resulting from approving this change be? The loss to the enrichment, impact on wildlife, significant loss of recreation opportunities, significant additional costs to county government, significant life safety issues, and, you know, what benefit to the quality of life? You know, and I still go back to where's the water? To what end? To enable someone to change the rules in order to offset economic consequences. You make an unfortunate investment and change the rules to be made whole. These are natural resource lands. They're subject to special treatment and subject to the limitations when it comes to development.

As a county resident, I can't see a single long-term benefit for those of us in the county realize from a dramatic change to existing land use rules and laws. And I see a significant negative consequence arising from approval of this change, not

the least of which is, as I say, the real potential for -- for problems being exacerbated on water. I'm not unsympathetic to the problem. The problem is the laws that are brought to bear that apply to use of forest land arising from the spotted owl. I think we need to fix that problem, and I think eventually as these situations continue to deteriorate in every forest land in the State, the climate's going to have to come around to simply to fix the problem. Thank you.

(Applause.)

ANNA: Jim, I noticed that you -- if you want to submit written comments, you can also -- anybody who doesn't want to speak, the County's also always taking written comments.

Christina just handed me a note. Somebody with a blue Toyota Yaris has their headlights on. Thanks, Christina.

I had one name left on the list. Kelly Connor.

KELLY: Good evening, everyone. I'm Kelly Connor. I'm one of the -- well, I'm not the only saw mill in the County, there are two in the County. I'd be happy to give you my business card, you can drop by any time. We're not a modern mill. We're recycled equipment from 19 -- well, my edger's dated 1889, and the band saw is 1964, and my husband and I, by ourselves, can produce 10,000 board feet of lumber a day. So I think that constitutes something just a little bit bigger than an Alaska chain saw mill. And you didn't count McMonahan's mill which he still has. He can do quite good production. And Grock is also in Kittitas County.

So, anyway, I started out with two things on my paper and then I got to listen to this presentation, and dang if I don't have a whole page. But I'll try and keep it brief.

First of all, the "Pine Tree Express" book, that's kind of like the bible to anyone that lives in the valley. So we're plenty well-aware of what it was like here.

Also, Casland was not a metropolis. It was a logging camp. Logging camps are where loggers live, okay? You following me so far? I know for some of you it might be tough. They brought their families with them. That's why they had the little tiny schoolhouses, they had a little sundry shop, somewhere where you could get your horse shoed or whatever. So, anyway, just a little history note for you.

One thing about the economic vitality of the County, improving this into development, is not going to change anything because the people that are going to be living in those exclusive homes -- I love the photos by the way -- they aren't going to work here. They're going to come over and play when they want to so they can say, oh, yes, darling, we have property in the Teanaway. Isn't it great?

You know, the University of Washington study about the timber industry -- by the way, Mr. Helstrom did a fantastic job. I agreed with everything that the man said.

In regard to the timber industry, the decline was because of the spotted owl, not because there's a lack of market. What you going to build all these houses out of? Anybody think of that? Or are they going to import it from Canada? That's what most of them do now anyway because Canada, they can still log their trees. Okay. So that's just one of those.

I kind of question why American Forest Land Company didn't concentrate these efforts into lobbying the Fed and the state laws to get them to release some of the timber so that, yes, you could have your 300,000 acres that you need to sustain a mill. Actually, it's about 500,000, but I don't really know anything about that.

One of the things that I wanted to know was in the cute pictures that you showed -- I loved the glass on the little waste water treatment plant and, baby, you get 9 feet of snow up there on top of that thing, and I'd like to see it change your excrement into drinkable water fluids. That just sounds so appealing to me after dinner, doesn't it?

One of the things that I really want to know is they -- they mentioned in here, green energy. Last time I checked Bonneville Power Administration uses water to go through turbines which generates electricity and is put into the grid, and we all enjoy that. I just thought I'd -- it's pretty green. It's not -- what are you going to do? Stick a cold fire plant up the valley here to produce all the electricity for these homes? Not pretty.

Investment in property to make money off of was off the resource that was available to it in my mind. When you invest in development property, you are buying small parcels of property and develop it. Nobody buys that much acreage thinking, oh, I'm going to build, you know, Suncadia. Yeah, that was a good one.

Now, one of the questions that I had, and I don't expect an answer this evening, but it would be nice if somebody could get back to me, is one of the things in the small community that we do have, you know, it used to be if you wanted to buy property

in the Teanaway, do you know what happened? You had to get taken door to door to every person, the Imanetos (ph), the Crusetos (ph), the Ballards (ph), you know, Inger Ingstrom (ph,) You had to meet the people in the valley. And, boy howdy -- Violet, you could probably attest to this -- if they didn't like you, they sent you back over the pass where you belonged. You know, I mean, you had to be accepted. And one of the things -- one of the things that was important was they didn't want a bunch of, you know, yuppies moving in and going and changing everything, you know, some -- if it ain't fixed don't broke it -- don't break it. Sorry. Bad English there.

One of the things I want to know, though, in the small community that we have is there's rumors -- and nobody is a rumor runner better than myself, but I have two standards that these -- the criteria that you have to meet make it an official rumor. One is it has to come from somebody I know would never tell me something untrue, okay? Secondly is I have to hear it from three different people not connected to one another, okay, but you hear it separately and it's the same. There's no embellishment or anything. Well, one of the rumors -- and I'll just spit it out here -- is that moons ago, when American Forest was buying the land from U.S. timber, that their ideal thing was to make 20-acre lots along the roadsides only, clear up to the end of the pavement, and that these people over here said no. I'm pointing to the County for the record. That the County said not to do that and so, basically, you know, -- it's their property.

As Mr. Helstrom said, public property -- or private property rights are paramount to a successful society. I've always believed that. Nobody knows it more than me. But this is not private property per se. It is timber land. That's what it was originally purchased as, can't go changing horses in midstream. Now I want to know if that was true or not because I think 20-acre lots for single residential -- and if you think about all the private property along the road, you weren't talking about all that much, okay? That would have been more palatable to me, and so if we're stuck with some god forsaken ugly thing that comes along, because they do have the right to do with what they wish with their property, and they're going -- we're not going to be able to stop them. We're just hicky rednecks from the Teanaway Valley. And by the way, rednecks and hillbillies, it's a difference in elevation only.

Now, one of the things that I wanted to know -- this is -- this is -- if I'm going to make a demand, this is the demand -- sorry -- this is the demand that I would make. For those of us that do live up the valley, we have the noisest phone lines on the planet and any of us that tried to have dial-up modems on our computers, well, we're lucky we have hair left but thank God Verizon put a tower up and now we're

all okay. But the phone structure is horrible, and they're going to tap more homes onto these little phone lines we have.

The other thing is the road. I really appreciate the County going and sealing all the little cracks and fluffing the gravel along the sides. I feel so much better except when I go by Chris Hedos (ph) house. It's really rough. But the County promised - - and I didn't see it on the road maintenance list in the paper last week, the Teanaway was scheduled for 2010 to have it widened. They're going to put a cute little bike path in so they won't drive down the middle of the road now. They'll have their own little spot. Okay. And they were supposed to put DSL lines, which Qwest will lie to you and tell you it was happening four years ago, but that's another story.

So my demand would be that the County insists that not the property owners that purchase the property, but the people that are selling it to developers have to pay for the road improvements, pay for the phone service and, by gummy, they're going to have to pay to upgrade the electricity. We didn't even have three-phase power in the Valley until I think it was 1993 or 4, and everybody still -- it's still the same amount of juice going up. And the more people you put on it, when I turn my Christmas lights on, I guarantee you that I can get Craig Peterson's lights to dim. That's going to happen. But I think, really, that they should need to pay for anything.

And this garbage about sewage treatment plants in the Teanaway, please. If you -- and I like the cute little house on the river, too. I wonder if that place is still there after January because a lot of us lost property last time, and guess what, kids, it's a river. It goes up and it goes down, and there's no water in it in the summertime. I don't care what you try do to put more in there, it's not going to happen.

By the way, I just wanted to make a little comment, I'm holding up today's Tribune, and did everybody see on the bottom, the Department of Ecology rejects the County's latest proposal to end exempt well moratoriums. How's that going for you? Pretty good?

I have no faith in the County being involved in this, and if the rumor is true that this could have been developed more respectfully and more responsibly moons ago, I would have rather gone for it then. Have a nice day.

(Applause.)

ANNA: That was the last person I had signed up. I don't know if there's anybody who wants to speak. Do you want to come up? Go ahead.

KATHERINE: Good evening. Katherine Clerf (ph). My address is 60 MO Road, Ellensburg, Washington. That is in the lower county. It's out in the Badger. I'm a fourth generation Clerf. My family came here in the early 1880's. My affection for the Teanaway goes back to the fact that I have family who logged it, I have family who mined it, and there used to be a campfire camp. All through my childhood, my father was the administrator of that camp so I know this area well. I was a campfire-- belonged to a very active -- and I've been up and down all the ridges in this county and climbed Mount Stuart and ridden horseback.

I used to be on the Land Use Advisory at Kittitas County. I was appointed by the commissioners in '07. I was also your 3/10's of 1 percent chairman. I actually convinced you that there was going to be an economic implosion, and we needed to beef up our law enforcement so we didn't become a gang war or drug war in this county because we are very remote, and as you well know from reading the paper, lots of pockets of our own state, it's very dangerous actually to go backpacking or camping unless you're packing or you have a cell phone that works because you might come across people who have AK-47's who will blow you to smithereens.

I got kicked off the Land Use Advisory Committee because -- probably a variety of reasons. There were 12 of us. More than half of us were in the development, and I had the audacity to say things like -- hmmm, I forgot to mention I'm a math major and I have an MBA in international finance. I'm a corporate officer of a billion dollar privately held company, and we specialize in a variety of things, shipping, energy, we got into renewable. So I dared to mention that there was going to be an economic implosion in this county. We had this unwritten, unpublished business plan to gentrify it.

Did you ever see it anywhere? Did we ever have a public debate? I came here five years ago this next month. I came here quietly to do due diligence, and I couldn't believe, first of all, we were arguing over making money off of wind cooling. Had we had that technology today and a different set of framework, the entire county would be porcupined. Part of what we did on the Land Use Advisory Committee was when it comes out after commercial forest, it has to come into the rural land use. Part of our problem with our county government is it's never lived up to the GMA. We don't have a critical areas ordinance. Last I looked, the Teanaway is a somewhat critical area.

We don't have a capital facilities plan. We don't have a land use capacity analysis. I and my family were very -- well, disgruntled is the nice way to put it that several thousand acre feet of senior service water rights was taken out of lower county and transferred, in my family's opinion, illegally upstream.

Now, Suncadia is actually offering senior service water rights for sale because it's kind of got it's little derriere in a tangle. The resort isn't quite working out because of low enterprisers had its note called by Corispin (ph) for its other result called Terimea (ph) and if you didn't notice, Corispin got taken over by the FDIC last year. It was actually a real estate investment trust masquerading as a commercial bank.

So let's get back to point. This is commercial forest. And as other peoples have spoken, it is the specific land use. It is there for the harvesting of natural timber, not in just my life -- I'm 55 -- my lifetime now, it is there for the next hundred plus years. Our problem in this country is we all think that economic development is you build something, a house, a resort, a golf course. I come from a family that produces things. We produce food for the nation and this country, for our own use, and for export. We were miners. We were timber people. That's what this nation is sitting on. A mother lode of natural resources, but we import them from other people at, of course, escalated prices and we pay for them with borrowed money which, up until this point in time, China has been only too happy to make us the largest debtor nation in the world.

My problem with this project is I can already verify to you as a former member of the Land Use Advisory Committee that we have over a quarter million lots already available to be purchased for rural residential. We have a political problem in that we don't have the political will in this country to once again allow us to log our own forest, be they state, be they federal, or be they private. This is a political problem. It can be worked out. Are all of us so shortsighted that we should give up this many tens of thousands of what has been extremely productive commercial forest for my county, for my nation, and for my state when much easier to live in and developed land also is in our county?

And, of course, I have a strong economics background and a strong engineering background and a strong background, I got news for you. I'm a baby boomer. I might escape, if I did my recall the last few years, with some money to retire on, but I'm in better shape than most Americans. We are not understanding the corner that our nation is in. We are the largest debtor nation in the world. There aren't going to be waves and waves of successive generations who can afford a half

million dollar house, a half million dollar condo, a half million dollar multi-family residence.

I'm in the energy business. You want to know what your energy's going to cost you in ten years? Double what it's going to cost now. Inside of 20, it's going to cost triple. The whole country's going to be paying at least 30 cents kilowatt hour. That's just the way it's going to have to be. You're going to have to give up that cheap hydropower. In fact, we're going to have to fight to keep any dams that we do have. What this land needs to be used for biomass, celluloses plant material as to whether a plant can be built in this county.

I've tried for five years and I pretty much have given up. I don't have land in the right place. I don't have water. I don't have flat. I don't have industrial. Best place to put it is probably down in the old Bothway (ph) Cascade in Yakima but everybody's used to driving that far. All I'm trying to say is we need to have a renaissance in this country and go back to where we were, and that is to use our own natural resources.

People can live about anywhere, but I laugh at people when they say when they go golfing at Suncadia in August and it's 32 degrees and the wind's blowing 35 miles an hour. And say, well what in God's name did you expect? Did you ever talk to anybody who lived here? My family's been here for 130 years. I don't believe we're in a warming trend. I think we're in a cooling trend. I think we're going to be back to 10-foot snows everywhere. It's a cycle. It's about a 30- to 40-year cycle.

So all these people that my County doesn't have a capital facilities plan nor does it have a land use capacity analysis to make any kind of assessment as to whether it should allow the deed designation of any acreage of commercial forest because I can tell you undeniably that we've got more than enough acreage in the rural part of Kittitas County to support not just a few thousand people, not just 25,000 people, a quarter million. There are enough acres just outside of Ellensburg less than five acres that can support 250,000 people. Thank you.

(Applause.)

ANNA: Thanks, Catherine. Is there anybody else who would like to give comments? I don't see anybody else.

We are going to have another meeting on October 1st so if you want to speak at that meeting or have friends or family who you know might want to speak, come to

that meeting. And, again, you can always submit written comments via the mail to the Community Development Services Department or there is a e-mail address on the website. Thank you again for coming.

End of meeting.
