

## **Testimony on behalf of the Moosehead Region Futures Committee**

**Name of witness:** Joe Brenneman

**Address of witness:** 800 South Main Street  
Kalispell, Montana 59901

**Topic(s) of testimony:** Plum Creek and their developments in Flathead County, Montana

**Qualifications of witness:** Chairman, Flathead County Commission

### **Testimony:**

My testimony will be presented in three parts. The first will be a brief historical perspective of Flathead County and Plum Creek's activities in the county, second is an account of two developments that Plum Creek has proposed in Flathead County and brought for consideration of preliminary plat before the Flathead County Commission and finally, an account of my perspective of Plum Creek's activities in Flathead.

Flathead County is one of the largest of 56 counties in the state of Montana. It encompasses nearly 5000 sq. miles, most of it quite mountainous. The eastern edge of the county follows the continental divide and traverses Glacier National Park, the Great Bear Wilderness and portions of the Bob Marshall Wilderness. 77.3% of the land in the county is under state or federal jurisdiction through either the Park Service, the Forest Service or the State Department of Natural Resources and Conservation. About 8% of the total land in the county is owned by Plum Creek or about 260,111 acres. It is difficult to overstate the significance of Plum Creek land when they control such a significant portion of the available private land.

Plum Creek has been in Flathead County for over 60 years and currently operates significant timber processing facilities including a plywood mill, a fiberboard plant and a conventional sawmill producing dimension lumber. While Plum Creek officials always maintain that they currently are, and will always remain, a timber company, conventional wisdom and anecdotal accounts from Plum Creek employees paint a different picture. Many of us expect Plum Creek to pull out of the valley as a timber company in the not too distant future. Those of us who hunt on lands that border Plum Creek land can usually tell when we have walked onto Plum Creek land because of the extremely aggressive removal of all merchantable timber. This is in marked contrast to another timber company in the area, Stoltze Land and Lumber, who do an excellent job of managing their lands for sustainable harvest, and few of us doubt their commitment to the economic vitality of the area by maintaining their timber harvest and processing, even if they do choose to develop some of their 36,000 acres of timber land.

Flathead County has been an agricultural and timber based community for over 100 years and until very recently, growth was relatively slow. In recent times the area has experienced dramatic growth and unlike previous small bursts of growth this appears to be sustained and the

impacts are much more dramatic. Those moving to the area are not as dependent upon the traditional local economy for employment.

On June 15, 2006 Plum Creek brought two proposed developments forward to the Flathead County Commissioners for consideration of preliminary plat. One was called Ashley Lake South and consisted of 646 acres to be divided into 60 lots located on the southern edge of Ashley Lake, located about 25 miles west of Kalispell. Ashley Lake was historically used for small summer cottages and recently has developed into a significant year round residential housing area. This particular subdivision is located near the lake with some shared access to be used by the homeowners. It also included a significant wetland since that end of the lake is shallow and the creek that drains the lake flows through this property. The neighbors expressed significant concerns about the development and in particular they were very concerned about the effects of the traffic from 60 more lots on the nine mile gravel road that provides the nearest access route to Highway 2.

Preliminary plat considerations covered a wide range of topics with a great deal of focus by staff and the commissioners on the effects of the proposed subdivision on the county gravel road, with commissioners expressing concerns about the road. (See Flathead County website, commissioners' proceedings, June 15, 2006.) The planning staff had developed a formula to assess the impacts of this development on the gravel road and from that formula it was suggested to the commission that six miles of road should be paved as mitigation. During discussion I expressed concerns over my perception that this development had the potential to adversely affect the health and welfare of those who lived in the area or traveled the road and I suggested that Plum Creek be a leader in innovative solutions for infrastructure needs in Flathead County and that they pave the whole road, but coordinate with the county to set up a "late comers agreement" whereby subsequent developers along this road for the next 10 or 15 years would be required to pay to Plum Creek a pro-rated amount based upon the proposed size of the development and the number of estimated car trips. This suggestion was rejected immediately by Plum Creek. Interestingly enough this was not apparently an illogical suggestion because recently a developer on another area did coordinate with Flathead County to set up a "late comers agreement" as I suggested. We couldn't require it, but the other developer wanted to be a part of the solution.

After much discussion the condition to require paving on six miles was attached to the preliminary plat and ultimately passed by quorum. Subsequently, Plum Creek sued Flathead County over that condition and since that is still in litigation I can comment very little about the matter. It is interesting to note, however, that subsequently another subdivision was proposed in the same general portion of the county and with fairly similar characteristics. This developer volunteered to pave the county road from the existing pavement to his property, a distance of some four miles. The paving has been done as a gesture of good faith even though the neighbors are litigating the approval of the preliminary plat. Again, this indicates that there are developers who realize the importance of being a part of the solution.

Plum Creek proposed setting aside a certain number of acres in a "conservation habitat plan" to be coordinated with the Montana Department of Fish, Wildlife and Parks to preserve the riparian and wetlands. When asked to include this as a condition, however, they adamantly resisted,

stating that since they were going above and beyond what was technically required they should not be required to have that as a part of the conditions necessary for granting of final plat. I found that quite disingenuous because in reality it was little more than a guarantee to the community that Plum Creek would do what they said they would do and I failed to see why the community should not receive that guarantee. It isn't at all unusual for developers to propose amenities beyond what is technically required and in almost all other cases we include those promises as a condition and good developers with integrity agree since they plan to do it anyway. In this particular case it was one of the promises that made the whole proposal palatable to the neighbors and when Plum Creek protested having that as a guarantee, it did not go over well.

Because of the lack of accountability on the part of Plum Creek and their unwillingness to partner with Flathead County to provide mitigation for the effects of their subdivision on the health and welfare of citizens in Flathead County, I was unable to support the granting of preliminary plat. The other two commissioners voted to grant preliminary plat with the condition for paving some of the road included. As mentioned before, Plum Creek sued Flathead County contending that they could not be required to pave the county road.

The second Plum Creek development proposal is called Haskel Pass, a 78 lot subdivision located on 851.2 acres near a lake called Bitterroot Lake. This subdivision is located less than a quarter mile from the lake and the county road is paved to that point or slightly beyond. There was some paving requested along the portion of the county road abutting the subdivision and there were some issues with right of way. The subdivision, as the name implies, lies on the approach to a difficult mountain pass. The topography is so challenging that the northern route of the transcontinental railroad was diverted at this pass after attempts to use it on a regular basis proved so problematic. As a result of the difficult approach the county road strays from the right of way. Plum Creek refused to delay consideration until the right of way issues could be resolved and they protested the relatively small amount of paving being requested. Again, they cited the fact that technically they were meeting the letter of the law and that is all they expected to have to do.

In this particular application, in my opinion, Plum Creek had failed to adequately address the effects of their subdivision in their environmental assessment. In particular the issues of high ground water, the unique characteristics of this piece of land, and the failure to adequately address the potential impacts on the lake, coupled with Plum Creek's unwillingness to work with Flathead County to address the right of way issues caused me to vote against this subdivision. The other two commissioners adopted findings of fact and approved the preliminary plat. Neighbors in the area later organized and sued the county alleging that the environmental assessment failed to adequately address the impacts of the subdivision on Bitterroot Lake. That case also has not been resolved.

As a result of these two subdivisions it seems clear to me that Plum Creek's real intentions for the development of their land is very much in keeping with the managing of their timber land, which appears to be an effort make every dollar of profit they can for their out of state owners and to leave the local community to deal with the consequences as best they can. Plum Creek could have chosen to be a good neighbor and instead of spending millions of dollars on attorneys they could have invested in a few miles of paved roads and agreed to be conditioned in

preliminary plat to produce on their promises. Such an investment probably would have paid back with actual profit as well as community good will. Good developers realize that and have made that commitment to the community but, sadly, Plum Creek is not in that category.

In Flathead County the local representatives of Plum Creek are decent individuals who are involved in the community and who often seem to want to do the right thing. However, Plum Creek is a huge corporation and the real decisions regarding policy and course of action are made in Seattle at corporate headquarters and it appears that at that level there is little interest in local community life and integrity. In meetings with local Plum Creek officials I have been told that they will follow all state and local laws and if Flathead County needs more from Plum Creek they should endeavor to change the laws. Changing legislation is a cumbersome process. Montana is a state with wildly divergent interests. Three quarters of the counties are losing population and seeking economic enhancement while the rest are struggling to deal with unprecedented growth. I'm sure Plum Creek is very much aware of that fact, as well as the significant lobbying presence they can muster at the legislature to influence politicians. The most alarming thing about this attitude is the refusal to be a good neighbor, to set the standard for community involvement not because they are required to do so by law, but because it is the right thing to do.

Perhaps this advice has more relevance for the citizens of Maine. It could be that the Plum Creek development proposed for Maine should be addressed at the state level. Legislation aimed at making sure that shareholders at least paid taxes to the state of Maine would be one way to address just compensation to the residents in the state for conversion of timber land to residential, which without such considerations never pays its way. Legislation could be designed to make sure that the integrity of the local towns is not lost, that adequate measures are in place to insure that the pristine lakes in Maine are not polluted by development along the shores of previously undeveloped lakes, and that the developers put in place adequate infrastructure to handle the impacts of their development.

Of paramount importance is the necessity to not be pushed by Plum Creek into development before all the impacts are adequately considered. Plum Creek will bluster and threaten about the need for timeliness being of the utmost importance, but if development is approved without consideration of all of the impacts, immediate, long term and cumulative, the residents of the area will be shouldering the burden of playing catch up in a sequential vortex of unanticipated negative impacts both environmental and fiscal.

OATH

State of Montana  
County of Flathead

I, \_\_\_\_\_, being first duly sworn on oath, affirm that the foregoing pre-filed testimony is true, accurate, and correct to the best of my knowledge, information, and belief.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (printed)

Sworn to and subscribed before me this \_\_\_\_ day of August, 2007.

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Notary Public (signature)

\_\_\_\_\_  
Notary Public (printed name)