

Shasta Resources Council

Securing Old Shasta's Future

Randall Hauser, *Chair*
Council Members

Lynn Aase
Mike Anderson
Doug Craig
Bruce Crom
Lang Dayton
Rick Lemler
Marc Pfister
Steve Schroth
Bill Siemer
Gloria Speigle
Susan Weale
Bryan Zollner

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Senator Barbara Boxer
United States Senate
501 I Street, Suite 7-600
Sacramento, CA 95814

Senator Dianne Feinstein
United States Senate
One Post Street, Suite 2450
San Francisco, CA 94104

Dear Honorable Senators:

This is an urgent request for your intervention on behalf of the Old Shasta Community. The BLM plans disposal of a 216-acre land parcel through an exchange to a private speculator. The parcel is integral to the Community's longstanding plan for a natural recreation area and preserve.

Subdivision into 60 residential lots as proposed by the speculator will obliterate this vision. Over the years, we have made a good faith effort to acquire this parcel in a responsible manner. The ***Community offered to purchase the land at fair market value — all to no avail.*** The BLM is now concluding preparation of an environmental assessment supporting exchange to speculator Joe Rice. We expect their Record of Decision by the end of this month. ***Your intervention is crucial*** to persuade the BLM that community acquisition best serves the public interest. The purposes of acquisition span public recreation, ecological protection, and historic preservation.

I apologize for the length of this letter. We will be pleased to meet with you and/or your staff to provide synthesis or clarification as may be required. A compendium of relevant correspondence and documents is on our website at www.shastaresources.org.

Beginnings

The Old Shasta Community lies to the west of Redding, in territory administered by Shasta County. It was the first node of settlement in the region and served as the County seat until it was moved to Redding. Members of the Old Shasta Community, together with other local groups began their efforts to preserve Area 51 for Community use following publication of the BLM's Resource Management Plan in 1993.

What is Area 51?

Area 51 is located in the eastern portion of the Community, close to Redding, as may be seen in the accompanying maps. Over the past thirty or more years, the south portion of the 216-acre federal parcel proposed for exchange has grown to become the centerpiece of informal natural area recreation on Redding's west side. Users affectionately named this centerpiece "Area 51" after the military's secret Groom Lake installation in Nevada. Local residents and other volunteers using natural, on site materials, have constructed over 5 miles of trails. The trail system incorporates historic mining ditches and related features that track the topography. Walkers, runners, equestrians, and mountain bikers of the community and region alike enjoy its labyrinth of trails and the pristine setting.

Rebuffed Proposals

In May of 2003, our Community Services District (CSD) and local Trails and Bikeways Council of Greater Redding, a nonprofit organization, jointly submitted a transfer proposal pursuant to the Recreation and Public Purposes Act. The Shasta CSD supplies water and is chartered to administer parks and recreation facilities, and fire control on behalf of the community. Under their widely supported proposal, the CSD was to assume ownership and both entities were to be responsible for maintenance. To the chagrin of both organizations, the BLM did not as much as respond.

In February of 2005, we formed the Shasta Resources Council (SRC) to acquire the land through exchange or direct purchase. In March of this year, the SRC submitted a proposal to acquire Area 51 with funds derived through a benefit assessment district. We offered to pay the BLM full market value in accordance with their appraisal. In that proposal and subsequent correspondence, we repeatedly asked for BLM cooperation in the implementation of our proposal. Again, we received no response. Subsequently, we requested via telephone and letter that the local BLM manager, Steve Anderson, meet with our group to address our proposal. In that telephone conversation and in a letter to us that followed, a very hostile Mr. Anderson rebuffed and admonished us not to contact the BLM office further about our proposal. We were advised that it would be "addressed" as an alternative in the NEPA environmental assessment (EA) they were compiling to support the intended exchange with private speculator Joe Rice. At that time, it became clear that the BLM does not intend to give acquisition by our Community serious consideration. We have posted our original February 2005 proposal on our website at www.shastaresources.org. Copies of letters to the BLM as well as Mr. Anderson's reply are under Tab 5.

Current Proposal

Recent meetings with Shasta County Supervisors and lead staff, as well as local land developers sympathetic to our cause, have produced a new funding strategy. Our plan is to acquire not only the Area 51 parcel (216 acres), but also other disposal land in the Salt Creek and adjacent drainages that front on existing County roads. We plan to create several residential lots along these existing roads where economical and adverse impacts are minimal. The SRC will be sure to reserve area for trailheads and public access corridors. We can sell about 10 lots or 10 percent of the total acreage we plan to acquire at a price sufficient to cover the total cost of acquisition in accordance with BLM's appraised values. This financing approach avoids the step of forming a benefit assessment district as previously envisioned. Instead, assessments will be far lower and can go to fuels reduction and maintenance. We now have a truly viable funding strategy that does not present a hardship for any member of our Community. Our current proposal reflecting this strategy is included under Tab 1.

Local Support

Our Community Services District Board of Directors recently passed a resolution requesting the SRC to prepare a plan to acquire certain BLM lands including Area 51. Informal polls of Community residents show firm support for acquisition and willingness to pay the maintenance assessments necessary, particularly considering the wildfire safety and recreation resource benefits over and above ecological protection and enhancement. Key Shasta County officials have indicated strong support and offered assistance in devising a prudent and readily approvable land division plan. Friendly local developers have provided advice and offered their assistance. Redding's newspaper, the Record Searchlight, wrote a strong editorial in support of our proposal as well. Copies of the SCSD resolution and newspaper coverage are under Tab 2.

Proposed GVC Exchange Parcel

The Community received notice the intended exchange in August of 2004. The speculator wishing to acquire Area 51 purchased a parcel considered exchangeable by the BLM in the Grass Valley Creek (GVC) watershed located in Trinity County. The SRC supports BLM acquisition and administration of this parcel. However, Area 51 is equally or more ecologically rich and important. If exchanged, its

development is certain and virtually all of Upper Salt Creek's direct and strategic ecological value, as well as recreational value to the Community and region, will be lost. On the other hand, the GVC parcel proposed for exchange is very remote and under no discernable development pressure. Its infamous environmental sensitivity precludes serious economic use as timberland. Timber removal is impractical due to the cost of environmental mitigation measures required by law. This is in spite of speculator Joe Rice's alleged threat, as reported by the BLM, to log the parcel.

Because the BLM's premise for the proposed exchange is ecological benefit, the fact that the GVC parcel is under no substantive threat of ecological degradation is very important. Their purpose in asserting the threat of logging is to inflate the ecological benefit in order to argue that exchange is the preferred NEPA alternative. In actuality, the ecological cost of allowing development of Area 51 and the related degradation of the Salt Creek watershed, as well as Sacramento River fisheries, is far greater than the benefit of GVC acquisition by BLM. While we are not in any way opposed to such acquisition, we are opposed to sacrificing Area 51 and the Salt Creek drainage to accomplish this objective. Considering the fact that the Community is willing to buy Area 51 at BLM's appraisal of fair market value, even consideration of such a sacrifice is unnecessary. Funds from the sale could be used by the BLM to acquire the GVC parcel at fair market value plus any of a number of other parcels of equal or greater sensitivity that are truly at serious risk of degradation.

Direct Sale

It is not as if the exchange model for disposal is particularly lucrative for the federal government. Mr. Rice, the BLM's speculator client, purchased the GVC parcel three years ago for \$210,000. It is highly unlikely that its value has changed significantly. Under the present arrangement, Mr. Rice will pay the BLM an additional \$150,000 in cash for a total of \$360,000 direct cost to acquire the 210-acre Area 51 parcel. The BLM's appraisal of Area 51's value is \$600,000. He can resell it easily for that amount. This is a very sweet deal for Mr. Rice, but not for the public, given that the GVC parcel would still be on the market today for about \$210,000 and could be purchased by the BLM directly, were it not for the disposal program inducing speculators to purchase such parcels and, effectively, hold them hostage. The BLM could actually purchase two or three times as much land like the GVC parcel with the \$600,000 the Community is willing to pay.

Purchase Option Not Previously Available To Community

The SRC strongly supports direct sale of federal land for a variety of reasons related to public equity. Unfortunately, the Redding Resource Area BLM only recently implemented the direct purchase option. This is important, because this method of acquisition has not been available to us for ten years. The only options open to us were uncompensated transfer under the Recreation and Public Purposes Act, or land exchange. It is understandable that the BLM would be reluctant simply to give the land to the community, as this would diminish the agency's land base and functional reason to exist. However, land exchange is risky and very complicated for an all-volunteer community group to accomplish in that it involves advance speculative purchase of a parcel suitable for trade. Funds for such a purchase are not readily available to such a group up front as is the case with a private speculator having such resources. The SRC included exchange in its February of 2005 proposal with the desperate hope that close cooperation from the BLM might make it workable. No such cooperation was offered or forthcoming from the BLM.

Priority Consideration For The Community

By its own analysis, the BLM is obligated to give adjoining landowners and local government consideration as purchasers ahead of others, such as speculators, in a direct sale scenario. To quote from a letter sent to Congressman Herger by Mike Pool, BLM State Director: "While *the sale authority provided by Congress does set preference requirements*, the exchange authority does not". Please see a copy of Mr. Pool's letter under Tab 5 at the rear. Had the option to purchase been made available to the Old Shasta Community last year when the BLM was considering initiation of

an exchange, and had the BLM simply engaged the Community proactively, there is every reason to believe the Community would have acted to purchase it then at fair market value. Pool goes on to quote the FLPMA as requiring that, in an exchange, full consideration must be given to the needs of local people, including needs for lands for recreation areas, fish and wildlife. This clearly provides further grounds for the BLM to seek a cooperative solution with the Community. It is certain alone from the FLPMA excerpts provided by Pool that Congress wants the surrounding Community to have every reasonable chance to acquire such lands for public purposes. Incredibly, Pool parses the Act to justify the BLM's denial of any sort of priority consideration for the Old Shasta Community in an attempt to validate their exchange procedure. We must also suppose that he and Redding staff feel that the Legislature would support their refusal to engage the community meaningfully, or for that matter, at all.

Development Constraints

It is important to understand that Area 51 is not comparatively suitable for development. For, example, low cost housing for low/moderate income housing would be entirely infeasible. The parcels remaining under federal ownership in Old Shasta are largely remnants that are difficult to access and subdivide. Vehicle access would necessarily involve inordinate numbers of stream crossings as well as extensive cuts and fills. The existing road system, constructed many decades ago, tracks the bottoms of the larger drainages. Site distances are very limited due to both irregularity and right-of-way constraints. Residential development occurred incrementally along these principal roads, adapting to their winding curves and elevation changes. As a result, any realignment to accommodate the substantial increase in traffic volumes resulting from development of Area 51 or other BLM remnants would result in major disruption of existing residents. Mitigation would not be feasible. Road safety and functionality would be degraded significantly.

Sewer infrastructure is nonexistent. The Shasta Community Services District no longer has water available, and now requires any new development to secure the additional allocation necessary to serve itself. Our wildfire suppression supply is stretched to its limit. Old Shasta is extremely vulnerable to very fast moving and intense fires due to terrain and heavy fuels loading. Wells are not a feasible source of additional supply due to geologic conditions. Our supply comes entirely through Whiskeytown Dam operated by the BOR. All rights are allocated.

Ecological Effects

The fisheries and stream ecology of Area 51 is robust and still recovering. Iron Mountain Mine, an EPA Superfund site just 7 miles to the northwest, had a devastating effect on the surrounding area's ecology. Habitat restoration expenditures in the area to date are in the tens of millions of dollars. Development of Area 51 will reverse ecological recovery of the Salt Creek Watershed, as well as destroy Upper Salt Creek's fisheries. Copies of letters from the California Department of Fish and Game (DFG) to the BLM and County voicing strong concerns are under Tab 3. The benefits of major public investments made and ongoing to enhance Salt Creek's fisheries are now at grave risk. If the BLM were to simply cooperate and allow the Community to purchase Area 51, *at fair market value* as proposed, no loss of benefit or public investment equities would have to occur. A Redding Record Searchlight editorial supporting the continuation of public expenditures and efforts to restore salmonid habitat is under Tab 2. A brief summary of major investments in and related to the Salt Creek Watershed follows.

1. Since 1997, at the request of both water and fish management agencies, the Bureau of Reclamation has injected over 96,000 tons of spawning gravel in the Sacramento River at the mouth of Salt Creek. The outflow of sediment from Area 51 development would plug this gravel and destroy its fisheries value. Here is a perfect example of one federal agency on a course that will directly defeat the efforts and public resource investments of another.

2. In 2001, CALFED agencies paid approximately \$20 million to improve two fish ladders and a fish screen at the ACID diversion dam located in the Sacramento River downstream of the mouth of Salt Creek. Many more salmonids are now making it past the dam. Sedimentation of Salt Creek due to Area 51 development will destroy its fisheries value and substantially reduce the spawning habitat available to those salmonids. Why spend all that money improving passage and at the same time ruin the destination?
3. In 2002, the Western Shasta Resource Conservation District, funded by a grant from the Cantara Trustee Council, removed an old road crossing which was a fish passage barrier on Salt Creek located approximately 300 feet upstream from the confluence of the Sacramento River. Again, what is the point of removing such a barrier if the fish have no gravel in which to spawn and development results in new road crossing and culvert barriers?
4. In 2005-2006 cooperative efforts by Department of Fish and Game, Shasta Fly Fishers and area residents will begin to improve fish passage through the culvert at the SR 299/Salt Creek crossing as well as collect fish and habitat data upstream of SR 299. Again, what is the point?

BLM's Heavy Hand

BLM came down hard on the DFG after they went on record as having concerns about Area 51 development and opposing the exchange. According to DFG staff, local BLM management forced DFG administrators to withdraw their opposition to the exchange, causing considerable conflict and dissension within the Redding DFG. Whatever the BLM did or threatened, it was sufficient to precipitate a substantial reversal. I will be happy to provide you with references inside the DFG should you wish to verify my characterization of events.

In any case, the DFG did not withdraw their concerns over development of Area 51. They based their change in position on recognition of the benefit of BLM acquisition of the Grass Valley Creek parcel for which they wish to exchange Area 51. As explained earlier, the GVC parcel is not at risk of degradation due to development. Installation of a sediment dam a few years back checked a onetime erosion problem. Besides, since the community is willing to purchase the Area 51 parcel at fair market value, the BLM can easily buy the Grass Valley Creek parcel at the appraised value of \$450,000 set for the exchange and still have about \$150,000 left over. This provides Mr. Rice with a handsome profit of \$240,000, which is better than a 100 percent return. A copy of the letter from the California Department of Fish and Game hastily withdrawing their "opposition" is under Tab 3. We have not yet been able to obtain a copy of the Anderson letter referenced by the DFG.

More Heavy Hand

A typical public refrain of BLM representatives is that disposal does not mean development is inevitable. After all, they say, the land is in County jurisdiction and County officials with input from the Community will determine the ultimate use. Development may be conditioned, they say, to preserve resources of concern to the Community. This is very interesting. The only problem here is that their conduct behind the scenes directly contradicts their public refrain. In fact, the BLM attempted to force lead County staff to commit to zoning prior to disposal and thereby avoid local due legislative process.

In a letter to the County, the BLM demanded pre-commitment to zoning of disposal lands to permit the maximum intensity of subdivision allowed historically in Old Shasta, which is a two-acre minimum lot size. Undoubtedly, they feel this will result in the greatest possible land value and compensation for the BLM as an entity. Proof of this duplicitous conduct is in a letter from Steven Anderson, local BLM field manager, to Russ Mull, County Resource Management Director. Copies of Mr. Anderson's letter and Mr. Mull's response, along with a copy of the County's initial letter to which Mr. Anderson refers are under Tab 4. Mr. Anderson states that "our (BLM's) appraisal (for the Area 51 parcel) was consistent with a General Plan designation matching the surrounding area," that

is “highest and best use”, or a lot size of two acres. If the County would just follow through and zone the land as the BLM wishes to presume for their appraisals, this would be, according to Mr. Anderson, a “consistent approach.” Of course, they are “not asking for a plan amendment prior to a full review of a proposal.” Moreover, since “the Bureau plans additional land exchanges in the future”, there will be plenty of opportunity to apply this “consistent approach”. With such a convenient understanding in place, the appraisal could obviously then be represented by the BLM to its speculator clients as de facto assurance of the County’s pre-commitment to maximum intensity zoning. Now, Honorable Senators how is this NOT asking for a guarantee of zoning and avoidance of due legislative process?

Anderson then goes on to say that without a “written position from the County,” that is, a zoning pre-commitment, “a higher number of patents may be required to keep our appraised values consistent in the face of uncertainty with the General Plan”. In other words, Anderson threatens to use federal power to break BLM parcels up along patent lines and sell the smaller land units separately to increase values consistent with appraisals they generate that are based on the presumption of maximum-intensity zoning. Is the BLM simply hedonistic, ignorant, or both? Disposing of land in patent parcel increments would be to disregard ruthlessly the integrity of local land use planning principles. The government created patent parcel lines in regular grids unrelated to topography or infrastructure. Such arbitrary fragmentation of ownership would greatly compromise planning the land’s use, not to mention increase adverse impacts and infrastructure costs, and reduce land utilization.

So, not only do BLM actions conflict with their claim that we can control the development outcome through the local legislative process, but they brazenly threaten disposal of federal land in a manner that undermines sound local planning and contradicts their professed role as prudent land managers acting in the best interest of the public.

Intervention Is Crucial

Why has the BLM rejected all Community efforts to assume responsibility for Area 51? Why have they failed to engage us constructively to develop an acquisition arrangement that is equitable for the BLM, Community and environment? Why is the Redding Field Manager so hostile? The BLM is simply grinding forward in reliance on an obsolete 1993 management plan and a land disposal model they presume will yield the greatest benefit to their agency. Their conduct with respect to Area 51 is clearly devoid of any sense of responsibility to the community. *Hence, we urgently appeal for your intervention on behalf of the Community.* You have the capacity to press the BLM to discontinue processing their proposed exchange and try Community acquisition. Our plan can and will work if given the chance.

Sincerely Yours,

Randall Hauser, Chair