

**County challenged over Meadows timber trade**

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By RaeLynn Gill

A land-use watchdog group has demanded a public hearing over an "illegal" timber exchange between Hood River County and Mt. Hood Meadows, Ltd., of Oregon.

The Hood River Valley Residents Committee (HRVRC) charges that the trade of forest land violates both state notification and appraisal laws. They contend the deal highlights what they consider the county's long-running agenda to help Meadows construct a destination resort just south of Parkdale.

"While we are terribly concerned about the potential for development in this area, even more offensive to us and to the taxpayers of Hood River County is the transfer of public funds to pay a private developer for land that has been illegally estimated at a fraction of its fair value," said Mike McCarthy, HRVRC spokesman.

County attorney Will Carey contends the HRVRC's charges are handed down from an incorrect interpretation of the Oregon statutes, particularly the argument that the appraised value of the forest land include its potential use.

"The formula for appraisals has to be based on the land's highest and best use under current zoning, the law doesn't allow for speculation," he said.

Carey said Meadows has not submitted an application for any type of development on the 640 acres adjacent to its newly acquired Cooper Spur Inn lands. He said if potential use was factored into one appraisal, it would also have to be included in the other -- since both parties could seek a commercial use in the future.

"If you try to go outside that boundary, you're acting on pure conjecture," said Carey.

But HRVRC said it is not speculative to factor in a destination resort since Meadows has publicly stated plans to build a 450-unit complex, golf course, amphitheater, skating rink, acres of ski trails and high-end shops and boutiques. McCarthy said that by not appraising the land for that use, the county has violated state law to protect the public interest because the value of the forest zone was recently appraised at a mere \$325 per acre, down dramatically from the \$40,000 per quarter acre of nearby developable properties. In addition, he said the county, with full knowledge of a pending development, agreed to pay Meadows \$1 million to make up a difference in land valuations since it would net 785 acres, about 140 acres more than Meadows would receive.

That assertion was backed up by consultant appraiser Robert T. Bancroft, who works in Oregon, Washington and Idaho. He was hired to review the county's appraisal for statutory compliance by the Cascade Resource Advocacy Group, a non-profit interest law firm with offices in Portland and Anchorage. Bancroft concluded that, based on substantial evidence, it was unlikely that the county could meet the legal "equal value" and "public interest" requirements without considering the land's potential development value.

However, county forester Ken Galloway said the trade was undertaken because it made good business sense. He said it would allow easier access to between 60-70 acres of harvestable property, saving helicopter logging costs that increased expenditures from the standard \$50-\$75 per 1,000 board feet to between \$375-\$450.

He said after the county completed the exchange of 1,000 acres of Scenic Area properties with the U.S. Forest Service last year for \$7 million, he was instructed to seek out other properties to replace that revenue base. Galloway said Meadows and Longview Fibre were the only positive respondents to an exchange offer made to 22 different parties.

After holding two public hearings last summer, the county commission directed staffers to proceed with the exchange unless the valuation difference with Meadows exceeded \$1.5 million.

The HRVRC also claims that improper notice was given for the first August hearing over the exchange. Oregon law requires that the county provide notice in two consecutive weeks of the same publication or in two separate publications. Since county officials listed the hearing date in two editions of the Hood River News, a bi-weekly paper, the HRVRC said it violated that law. The basis of its argument is that the state law required publication in two different media sources if a two-week notification period was not given.

Carey said the county met the law by listing the notice in two separate publications of the official paper of record. In addition, he said HRVRC representatives were present to submit comments at the first hearing and, in fact, the county board broke from normal protocol for timber trades and granted a second hearing in August at the behest of the citizen group.

Since the same procedural arguments were waged prior to the go-ahead for the land exchange, David Meriwether, county administrator, said the deal will be finalized within the next few weeks as directed unless the commission chooses to revisit the issue.

"In our opinion we've done everything we were required to do by law," said Meriwether.

Dave Riley, Meadows general manager, said there was nothing new for him to comment on since the HRVRC had already raised the same issues at the two past hearings.

"Evidently they wish to rehash a decision that's already been made with arguments that have no basis," he said.