

February 18, 2010

***RE: Large Commercial Timberland Owners; Declaration of Intent - Humboldt County General Plan Update***

To Whom it May Concern:

With this letter Green Diamond Resource Company, Humboldt Redwood Company, and Sierra Pacific Industries collectively wish to submit a proposal for the consideration of the Planning Commission and/or Board of Supervisors in regards to Section 4.6 Forest Resources of the Humboldt County General Plan Update.

**Background**

The Forest Resources Section, under **Key Topics and Issues**, states the following in regard to **Stable Land Base** "*Lands planned with a Timberland (T) designation are arguably the County's greatest long-term economic asset for creation of employment and wealth. Acquisition of Timberlands by public agencies has had the largest impact to this land base; increasing conservation values but decreasing timber production. Looking forward, continued declines in timber profitability and demand for rural homesteads has the potential to further decrease economic productivity*".

We appreciate the acknowledgement that timberlands are the County's greatest long-term economic asset for creation of employment and wealth and we welcome any policies that promote the long-term success of commercial forestry. We recognize that there is apprehension among some stakeholders regarding the potential development of forestlands for other uses. We think it is important that each of the three companies represented here have track records of managing the vast majority of their acreages for commercial forestry. Significant conversion of forestlands for development is inconsistent with each of our companies' efforts to manage their forests for long-term commercial forestry values. We are opposed to the establishment of a separate land use designation (IT), for Timberlands referred to as industrial, as proposed under Plan Alternative A. The implementation measures associated with **FR-P8** under Alternative A, propose to increase minimum parcel size, increase minimum development density, and eliminate current entitlements. The implementation of these measures and the associated loss of property rights, will negatively impact land values and result in an overall devaluation of

our respective companies. Furthermore they would inhibit each of our efforts in commercial forestry by detracting from the conservation value of our lands.

As an alternative, we offer the following --

### **Proposal**

We would collectively like to offer a public declaration of intent (DOI) that states our intent to maintain the bulk of our acreage as commercial forestland. In exchange for this statement of intent we request the following:

- o Remove any consideration of an Industrial Timberland "IT" zoning designation (Applies to FR-P8 and FR-S4).
- o Rescind Article II of the New Merger Ordinance (Applies to FR-IM4).
- o Maintain ministerial permit for a residence on all legal parcels zoned TPZ (Applies to FR-P9).
- o County to actively support increased regulatory efficiency to facilitate cost reduction for permits associated with timber harvesting.

It is our proposal to include in this DOI those lands that are considered to be our core timberlands. Lands located within Community Planning Areas (CPAs), lands determined not to meet our respective individual business objectives, and isolated parcels that may have uses other than timber management based upon surrounding land uses, would be excluded from the DOI. The DOI would remain a voluntary program, and lands would be eligible to come out of the DOI with 1 years notice. It would be agreed by the parties in advance that the DOI would not be intended to reduce the conservation value of lands included in the DOI.

Our DOI would be renewed every five years, coincident with the Housing Element. This would provide an opportunity for the County Planning Staff, Planning Commission, and Board of Supervisors to evaluate the effectiveness of the declaration.

It is our belief that this declaration should provide the County with sufficient assurance that the majority of Humboldt County's timberland will remain dedicated to timber production, or provide adequate notice otherwise.

It is our understanding that the Community Services District Director and staff are working on an incentive-based approach to encourage both large and small timberland owners to continue managing for timber production and other compatible uses. We think this idea has merit, particularly to the extent it is

accompanied by funding and a dedication of resources by County and other stakeholders. We are optimistic that a completed proposal will soon emerge that includes opportunities for all Humboldt County TPZ landowners to participate in a program that will enhance the opportunities for continued forest management utilizing incentive based approaches that have broad support in our community and that have had ample vetting in an open and transparent process either within this General Plan process or by utilizing some of the many various organizations which already have similar missions.

Please feel free to contact us if we can be of assistance. Thank you for your consideration of our proposal.

Sincerely,

Neal Ewald, Vice President and General Manager  
Green Diamond Resource Company

Mike Jani, President and Chief Forester  
Humboldt Redwood Company

Dan Tomascheski, Vice President Resources  
Sierra Pacific Industries