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State might need new nickname

Commercial development trend accelerates

SUSAN GORDON; The News Tribune
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Hundreds of thousands of acres of Western Washington forests are being converted to home sites, hobby farms and commercial developments.

The sell-off of commercial timberland is changing the regional landscape in ways residents and government officials never anticipated. The result is not only suburban sprawl but also what some decry as a permanent scar on the face of the Evergreen State.

"We're dismantling the forest, tearing it up, breaking it down into little parcels. It isn't the forest it used to be," said Brian Boyle, a former state lands commissioner and now part-time leader of a University of Washington College of Forest Resources think tank.

Since the 1930s, Washington state has lost 2 million acres of timberland to other uses. But the trend has accelerated, particularly in the 1990s and along the Interstate 5 corridor, land-use experts said.

Over the next several years, 300,000 acres of Western Washington timberland is likely to be converted to other uses, according to a recent UW estimate. That's an area nearly a third the size of Pierce County.

Put another way, it's like building 200 developments the size of Sunrise, a 1,500-acre subdivision between Puyallup and Orting.

OUR VANISHING FORESTS

Boyle and the forestry professors who endorse that prediction say the total could go even higher.

A more conservative forecast by one of the nation's leading land-use economists suggests about 200,000 acres of Western Washington forest will be converted. Ralph Alig, who works in Corvallis, Ore., for the U.S. Forest Service's Pacific Northwest Research Station, said his estimate could miss the mark, but the trend is consistent: more forests lost.

Experts give these reasons:

- The booming population has driven up land prices and provided an incentive to sell.
- Timberland owners have found other places – including other continents – where it's cheaper and faster to grow trees.
- Limited land-use controls allowed it to happen.

In Pierce County, development has occurred on ground that once belonged to Weyerhaeuser, Pope Resources, Plum Creek and other commercial timberland owners.

Examples include the proposed 4,086-acre Cascadia development in East Pierce County and the 450-acre Falling Water development near Bonney Lake, both on former Weyerhaeuser land; and the Gig Harbor North commercial development and portions of the Sunrise development, which once belonged to Pope Resources.

Besides those high-profile developments, timber companies are selling lands on the South Sound's distant outskirts, what some call the forest interface. People who hanker for their own piece of ground are buying 5-, 10, and 20-acre lots, some eligible for the same low tax rate as commercial tree farms.

Bonney Lake resident Marian Betzer said forests shouldn't be allowed to disappear.

"Are we going to balance growth with preservation or grade it all over and fill it all in to



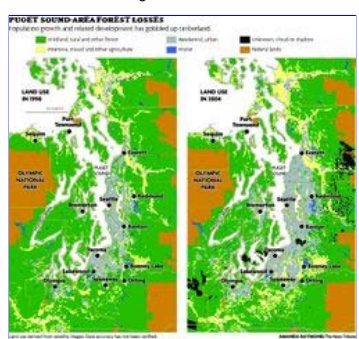
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RUSS CARMACK/THE NEWS TRIBUNE
Falling Water, a 450-acre housing development near Bonney Lake, lies on former Weyerhaeuser land. Weyerhaeuser no longer owns commercial timberland in Pierce, King or Snohomish counties.



[Enlarge image](#)

RUSS CARMACK/THE NEWS TRIBUNE
Portions of the 1,500-acre Sunrise development between Puyallup and Orting once belonged to timberland company Pope Resources. "When the value of the land exceeds the value of the timber, it's hard to convince stockholders to manage for timber purposes," says state Public Lands Commissioner Doug Sutherland.



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create buildable lands?" Betzer said. "We don't live in Nebraska. We live in Puget Sound."

Weyerhaeuser and other timber companies say they operate within their rights to manage the land as they see fit.

The sell-offs have attracted the attention of environmental activists who have traditionally fought the industry over clearcut logging. Now, some are working closely with timber companies to try to conserve remaining private forests, many of them adjacent to public preserves.

And while Washington's forest industry remains lucrative, fewer logs are being sold. Some worry that continued forest conversion and a shift to foreign log sources will take a toll on local mills.

CONCERNS PROMPTED STATE STUDY

Washington Public Lands Commissioner Doug Sutherland says the rationale is simple.

"When the value of the land exceeds the value of the timber, it's hard to convince stockholders to manage for timber purposes. So what they try to do is to develop it or sell it to somebody that will," he said of timber companies.

Sutherland's agency, the Department of Natural Resources, manages about 2.1 million acres of public timberland statewide. Its mission is to earn money for public purposes. Unlike companies that buy or manage timber out of state, the DNR can't relocate.

"The timberland you have, you have. You can't grow trees in parking lots, darn it," Sutherland said.

Around the state, people are buying 20-acre chunks as hideaways. Social scientists call them "amenity migrants." It's even happening in distant Okanogan County, Sutherland said. "They're selling off 20s, they're selling off 40s, they're selling off 80s," he said of landowners.

The resource losses are one of the reasons the Legislature in 2005 gave the UW \$1 million to look into the future of the state's commercial forests. Besides conversion to other uses, UW experts have studied economic trends and other statewide forestry issues. The final report is due in June, but the UW unveiled the land forecast at a fall forum.

The UW predicts about 300,000 acres will be converted to other uses by about 2010 or 2012. The forecast is based on past trends. Between 1978 and 2001, an estimated 648,000 acres of industrial timberland in Western Washington were converted to other uses, according to the U.S. Forest Service.

UW research analyst Ara Erickson has looked into past conversions. Most of the Western Washington forest that has recently disappeared was once industrial timberland, sold to other private buyers, she and others found.

Alig, the Oregon economist, came up with his 200,000-acre conversion forecast based on a different data set. Instead of Forest Service numbers, he looked at the Natural Resources Conservation Service's National Resources Inventory. It is based on 800,000 sample points located throughout the Lower 48 states. Although focused on farmland, it also tracks forests, developed lands, highways and infrastructure.

Alig and Erickson said it's hard to pinpoint precisely how much land has or will be converted, in part because existing land-use inventories are inexact and provide little detail about changes in urbanizing areas.

GLOBAL SHIFT, INVESTOR PRESSURES

Washington's forest products industry remains lucrative, according to UW forest economists. Even so, some operators worry about potential mill closures.

"If they can't buy logs, they won't stay in business," said John Davis, regional manager of Hancock Timber Resource Group.

Hancock, a subsidiary of Toronto-based Manulife Financial Corp., is the largest timberland manager in Pierce County, with 187,000 acres. In all, Hancock manages 458,346 acres in Western Washington and 541,590 acres statewide.

"Our investment in those properties is predicated on having a market to sell into," Davis said.

Weyerhaeuser, founded in Tacoma, no longer owns commercial timberland in King, Pierce or Snohomish counties. Instead, it manages timberland in Southwest Washington, the southeastern United States, Canada, Australia, New Zealand and Uruguay.

Port Blakely, a private company founded in 1864 on Bainbridge Island, also has moved out of the central Puget Sound area to Lewis, Grays Harbor, Mason and Pacific counties, and Oregon and New Zealand.

Timber business competition is now global.

Although Washington has among the most productive lowland softwood forests in the world, companies have gone elsewhere, said Jerry Franklin, a UW forestry professor.

"It's not profitable to grow wood. It's not the way to make your money – certainly not in North America," he said.

He has visited the subtropical and temperate Southern Hemisphere plantations where Weyerhaeuser and others grow eucalyptus and pine. The trees grow faster than in Western Washington. Labor is cheaper. Government regulation isn't as stringent.

Weyerhaeuser is one of the only remaining publicly traded timberland owners still managing timberland to produce raw material for its own processing plants.

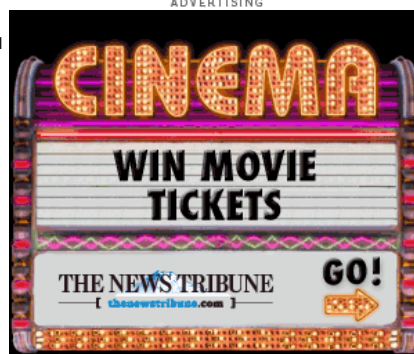
Instead, real estate investment trusts or timber management organizations oversee hundreds of thousands of acres. The businesses are set up to benefit owners who might or might not care whether profit comes from timber or land sales.



[Enlarge image](#)

JANET JENSEN/THE NEWS TRIBUNE

Skip Simmons moved to Sunset Acres, former Weyerhaeuser land near Eatonville. "This is a firefighter's nightmare because there's so much fuel," he says.



Hancock, for example, is a timber management organization. It is now responsible for most of Weyerhaeuser's former Snoqualmie and White River tree farms, plus the Kapowsin Tree Farm near Eatonville, once owned by timber company Champion.

"We're guided by financial returns in making land-use decisions," said Davis, the regional Hancock manager.

LAND-USE LAWS DIDN'T STOP IT

The state's 1990 Growth Management Act required Puget Sound-area counties to conserve "forest lands of long-term commercial significance."

But the population boom had begun and farsighted timberland managers didn't want to be boxed in.

In 1990, three big timber companies – Weyerhaeuser, Champion and Plum Creek – along with the DNR identified 500 square miles in the foothills of Mount Rainier that they wanted Pierce County to protect. Four years later, when the county adopted its growth plan, it limited forest conservation to that area.

Left out were timberlands in developing areas, such as Puyallup's South Hill and the outskirts of Gig Harbor. Also omitted were thousands of acres north of the Nisqually River between Eatonville and Fort Lewis.

Sutherland, who was Pierce County executive when the county adopted its growth plan, said timber companies wanted the option to grow trees or develop their properties.

Even land-use planning advocates failed to recognize the omissions permitted subdivisions on the forests' edge.

"It used to be that nobody would think of living way out beyond Orting in Pierce County. Now it's not unusual at all," said Tim Trohimovich, planning director of Futurewise, which opposes suburban sprawl. "The value of forestland for development has increased dramatically over the last 10 years and zoning regulations haven't been updated to address that."

The Growth Management Act also allows counties to set the size of forest lots. To help small-family tree farmers, commercial forest zoning typically allows a single residence per parcel. In Pierce County, it's one house for every 80 acres.

Under those rules, timber companies have divided large sections of land into 80-acre lots, conservation advocates said. Off Interstate 90 in Kittitas County, six such lots are going for between \$300,000 and \$400,000, said Charlie Raines, who works for the Cascade Land Conservancy.

LOSS OF RECREATION, HABITAT

When subdivisions take the place of forests, the loss is more than aesthetic.

Trees take excess nutrients out of the soil, provide shade, reduce erosion, filter water and help regulate climate. They take in carbon dioxide, convert it to carbon and release oxygen.

Washington's commercial timberlands have traditionally been playgrounds for outdoors enthusiasts, typically at least open to foot traffic and widely used by hunters and horseback riders, among others.

"We're losing all these places," said Louise Caywood, a lifelong Spanaway resident, now 55, who has ridden horses since childhood and belongs to Backcountry Horsemen of Washington. As a girl, she would take off for the day and ride from home across parts of Fort Lewis and out to what was once Weyerhaeuser land near the Nisqually River.

In the late 1980s, Caywood could see that things were starting to change. People left trash on what was still Weyerhaeuser property. Gates went up. Survey markers appeared.

"I didn't cry, but almost" when the land was subdivided, Caywood recalled. As a former construction business owner, she understands the logic of the bottom line, although she doesn't like what happened to the woods, she said.

"They got quite a bit of money for this land they sold," she said. "That was a lot more profitable than waiting for the timber to grow."

Skip Simmons lives in a subdivision built in the area where Caywood once rode horseback. Sunset Acres, a gated community of 5-acre lots and paved roads, was cut from a swath of former Weyerhaeuser timberland.

Some Sunset Acres residents have cleared land for horses. They let kids roam in the woods. Simmons and his wife Doris moved here four years ago to be closer to their children and grandchildren.

But it's also the kind of place where peoples' dreams intrude on wildlife habitat and risk the dangers of wildfire.

"This is a firefighter's nightmare because there's so much fuel," Simmons said, pointing to the dense growth behind his house.

On weekends, he and his wife often labor outside. They lop off low limbs and clear out brush to create a fire break that will protect the couple's manufactured home. Simmons, a former career firefighter and wildland fire expert, said he has urged neighbors to safeguard themselves.

Rocky Spencer spends a lot of time around places like Sunset Acres. The state Department of Fish and Wildlife biologist helps people cope with bears, cougars and coyotes.

People don't realize that human development in wildlife habitat doesn't simply displace animals, Spencer said.

"It doesn't work that way," he said. "Most often, those animals die."

Also, the altered landscape might make people vulnerable. For example, landscaping with ornamentals attracts deer. They, in turn, are prey for predators such as cougars.

IS IT SPRAWL OR LIFESTYLE?

In Pierce County, Weyerhaeuser recently sold the last of 5,000 acres the company marketed as 20-acre plots, called forest reserves. They're eligible for the same low tax assessment as commercial forestland.

Pierce County Executive John Ladenburg said that undermines efforts to contain suburban sprawl.

"No one actually envisioned people would pay for a big piece of forest to go live in the woods," said Ladenburg, who said he was dismayed when he looked at aerial photos of the former Weyerhaeuser lands. "There's no rhyme or reason to why they're putting housing in these areas."

Weyerhaeuser Co. officials disagree, saying they were selling a lifestyle.

"It's still timberland. It's not sprawl," said spokesman Frank Mendizabal.

Priced between \$150,000 and \$450,000, the nearly 200 lots are connected by gravel roads in a remote area of south Pierce County between Eatonville and McKenna. Although Weyerhaeuser historically managed the land for timber, Pierce County zoning allows 10-acre residential lots.

Weyerhaeuser packaged each parcel with a tree-farm plan that makes it easy for owners of the lots to qualify for the same low property tax assessment – \$200 an acre – claimed by commercial timber producers.

The per-acre rate is about \$8,500 less than otherwise would be assessed against undeveloped land in the same area, county officials said.

Some well-heeled buyers have built mansion-scale homes on the lots. A company official described others as investors, willing to carry the debt.

In the words of Weyerhaeuser spokesman Mendizabal, the forest reserve "idea was one that had legs." The last Pierce County lot sold March 19.

Ladenburg, who doubts the new owners ever will log, said the forest reserves will be a drain on public monies, especially if wildland fires break out near homes.

"The list is endless the kinds of urban services people will demand living out in the woods," Ladenburg said. "They will absolutely demand police, fire protection, ambulance services. It's something that is going to be very expensive for the rest of us to accommodate."

'FEVERISH' PRESERVATION EFFORTS

No one can turn back the clock on past developments, Ladenburg said, "but we can save the rest of it."

There are a number of efforts under way:

- In 2004, Ladenburg, Sutherland and others signed onto a Cascade Land Conservancy campaign to use conservation easements and land acquisitions to discourage housing development in 600,000 acres of timberland in the Cascade Mountain foothills of Pierce, King and Snohomish counties.
- Also in 2004, the state spent \$6.7 million to buy 1,230 acres of Weyerhaeuser land for the future Mashel State Park near Eatonville.
- In 2005, King County bought the development rights to 90,000 acres of former Weyerhaeuser land, now managed for Hancock timberland investors.
- In 2006, Pierce County officials issued Conservation Futures bonds and bought 462 acres of Plum Creek timberland along the Carbon River for \$1.4 million.
- Also in 2006, using a \$1.4 million federal wildlife habitat preservation grant, the Nisqually Land Trust bought 404 acres of Pope Resources land near Mount Rainier National Park.

"There is a feverish effort by the land trusts to work with some of these companies to acquire some of the developable lands when they're environmentally significant," said Boyle, the former state lands commissioner and now part-time leader of the Northwest Environmental Forum, a UW think tank.

Gov. Chris Gregoire also weighed in this year. The Legislature is considering her "high-risk forest conservation program," which would spend \$4 million to buy or lease rights to develop family-owned forestland. That could conserve up to 5,000 acres, said Michelle Conner, Cascade Land Conservancy lobbyist and vice president.

Even so, conservation advocates say timberland conversion is happening so quickly and at such a scale that there's not enough local, federal or state money to protect forests at risk.

And, in the face of population growth, they don't trust land-use regulations to provide permanent protection.

"We've got to find ways to keep forestry profitable for these landowners," said Raines, the Cascade Land Conservancy strategy director. A longtime Sierra Club activist, Raines now views commercial timberland as a regional resource.

Alig, the land-use economist, said incentive programs such as conservation easements or the purchase of development rights might work in some places.

But where development pressure is strong, people would be hard-pressed to pay timberland owners enough to conserve forests, he said.

"The subsidy would have to be so large it probably wouldn't make social sense," Alig said.

The Cascade Land Conservancy is now trying to use market forces to save timberland. On the state level, the group backs legislation, such as House Bill 1636, to create a regional marketplace transferring development rights in Pierce, King, Snohomish and Kitsap counties. The mechanism would promote intensified development in urban areas in exchange for rural land conservation. The bill passed the House and is in the Senate.

The conservancy also has proposed a public development authority to buy and manage timberlands, using municipal bond financing. But Sutherland, whose agency manages timberlands, has doubts.

"It's an interesting idea, but they've got to be careful if they want to make it pencil, he said. Returns are unlikely to cover borrowing costs, he said.

Besides the timber, there's no market for the benefits forests provide. That's unfortunate, said Boyle and others.

"The public is paying for the loss," he said. Good water quality, for example, is one uncompensated forest value.

Some people have proposed that forests earn their keep as climate regulators. Trees absorb potentially harmful carbon dioxide, a greenhouse

gas. While there's talk of creating an international carbon market to trade credits in avoided deforestation, it's still just a concept. In 10 years, perhaps that will change, Raines said.

In the meantime, people who seek to keep forests are looking for ways to shore up the business side.

"This is really the best place to grow trees. We need to figure out ways to protect that productivity," Sutherland said.

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