

June 30, 2008

## **Plum Creek announces details of largest conservation land purchase in U.S. history – in western Montana**

By MICHAEL JAMISON

**KALISPELL** - When the ink finally dries on the largest conservation land purchase in United States' history in 320,000 Montana forest acres for \$510 million in nearly nothing will have changed.

And that, of course, is exactly the point. The deal between Plum Creek Timber Co. and conservation buyers is designed to maintain the status quo; the real change would come if those western Montana acres were sold instead to real estate developers.

Plum Creek lands to be purchased under the deal announced Monday include forests surrounding the Missoula Valley, on up the Swan and even into the Yaak, and all "are worth more as house lots than as board feet," said Eric Love, regional director for conservation buyer Trust for Public Lands. "It just would be tragic to lose it all to backcountry sprawl."

Since 1999, Plum Creek has been organized not as a timber company, but as a real estate investment trust, and the company's bottom line has relied increasingly on land sales. In fact, during the last five years Plum Creek's real estate revenue has tripled, to more than \$330 million annually.

And that has raised concerns in states such as Montana, where supplying urban services and firefighting crews into new forested neighborhoods can often come at a steep cost to taxpayers. The company owns 8 million acres nationwide, 1.2 million acres in Montana, and

has targeted some 2 million of those acres for possible sale.

That new reality in which trees are worth more vertical than horizontal in was the inspiration behind the landmark conservation deal announced Monday, Love said.

The land purchase is expected to be complete in three years, and will place most of the 320,000 acres into either state or federal ownership. The small portion remaining in private hands will be burdened by conservation easements, allowing public access and continued timber harvest, but prohibiting subdivision and real estate development.

The "Montana Legacy Project," as it is known, is anchored in legislation authored recently by Sen. Max Baucus, D-Mont., and included in the nation's farm bill. The Baucus provision allows qualifying states or non-profits to either issue tax credit bonds or to apply directly for federal grants that then can be used for conservation land purchases.

That mechanism accounts for the first \$250 million of the total \$510 million needed. The remainder will be raised from private donors and, perhaps, a partnership with state government.

"This is so big," said Missoula County Commissioner Larry Anderson. "It's huge. Protecting these portions of the Swan is going to be so important."

Important to the wildlife that crosses Plum Creek lands between the Bob Marshall and Mission Mountain wilderness areas.

Important to the recreationists who hunt, hike and huckleberry these wild hills.

Important to the locals communities whose economies rely on logging.

And important to taxpayers who otherwise would be paying to extend services into the forest fringe.

“All of us have a moral obligation,” Baucus said, “to leave this place in as good as shape, or better, than we received it. We want our kids and grandkids to enjoy it, as well.”

The deal follows similar conservation sales of Plum Creek land, notably in the Blackfoot River drainage east of Missoula and the Thompson-Fisher area west of Kalispell. In fact, Plum Creek’s Hank Ricklefs said Monday that over the past 10 years, 70 percent of company land sales have been for conservation.

“Plum Creek,” he said, “has worked hard to have balance in our business.” He called the deal announced Monday “a great outcome for the citizens of Montana, and a great outcome for the citizenry of the United States.”

And, surely, a great outcome for Plum Creek, which will receive more than a half billion dollars for timber land it has already logged. (And some key real-estate development acres in the headwaters of Whitefish Lake, for instance were not on the table, despite keen interest from the conservation buyers. “Not everything’s for sale today,” said company spokeswoman Kathy Budinick.)

With the future of private forest lands increasingly uncertain, Love said, “we’ll never see an opportunity like this again. Like Humpty Dumpty, once this land gets broken apart [by residential subdivision], we can’t put it back together again.”

Baucus praised the coalition that hammered out the deal in Plum Creek, Trust for Public Lands and The Nature Conservancy, among others in for “bonding together to preserve the best characteristics of our state.”

Hunters, anglers, snowmobilers, loggers and all who recreate on western Montana’s forest lands will benefit by conserving “what’s best about Montana,” the senator said, adding that such traditional uses are deeply ingrained in Montana’s rural culture.

“We intend to honor that tradition,” said Dana Christiansen, of the Nature Conservancy. “This

project will maintain that public access” and also “allows us to preserve this truly magnificent wildlife habitat.” In addition, Christiansen said, “we will continue the process of sustainable forestry on this property.”

Plum Creek, in fact, will do some of that future logging, but under a sustainable forestry program created and monitored by third-party certifiers.

If funding falls together as expected, Plum Creek will receive \$200 million by the end of this year, then another \$200 million by the close of 2009. The final \$110 million is to be paid when the deal is completed, in December 2010.

It represents a considerable chunk of change, Love admitted, but he called the deal “a once-in-a-lifetime opportunity, in our view, at a very, very fair price.”

As to raising the money not yet in the bank, “we’re going to do whatever it takes,” Baucus said, “because it’s the right thing to do.”