

NATIONAL FOREST ADVISORY BOARD MEETING (NFAB) – March 17, 2004 –
West River Ag Center, Rapid City, SD

ATTENDEES: Board members: Chairman Ed Yelick, Vice-Chairman John Teupel, Aaron Everett, Bob Kloss, Pat McElgunn, Jim Margadant, Jeff Olson, Bob Paulson, Jim Scherrer, and Nels Smith. Forest representatives: Frank Carroll, Marcia Eisenbraun, and Brad Exton.

Board members absent were Tom Blair, John Cooper, Bryce In The Woods, and Ron Johnsen.

Also present at the request of In The Woods was Cheyenne River Sioux Tribe Historic Archaeologist Albert LeBeau III and at the request of Cooper was Shelley Deisch. Deisch and LeBeau were present to provide answers to any questions specific to the areas of expertise provided by In the Woods and Cooper and to brief the absent Board members.

Others in attendance were South Dakota State Senator Marguerite Kleven and Forest Service Region 2 Director for Planning Ann Loose, representatives of the media, employees of the Black Hills National Forest, and members of the public.

MINUTES: Motion for approval by Teupel/Second by Everett – Approved.

APPROVAL OF THE AGENDA: Motion for approval by Teupel/Second by Kloss – Approved.

HOUSEKEEPING: Treats provided by Boxelder Job Corps Culinary Arts Students.

MEETING PROTOCOLS: Issues:

Media Role: Current policy is to alternate representatives who speak to the media (designated by Chairman on a rotating basis). Individuals would represent their personal position on the board and Board position would be spoken to only by the Chair. Would the group prefer that all comments come from the Chair and/or Vice-Chair? (*Chair or Vice-Chair will provide NFAB comment for the media. The media may contact individuals after the meeting for position statements.*)

Distributed by Carroll were copies of letters received from property owners offering comments on the “open space/fragmentation” topic to be discussed at this meeting. Board members were asked to review the content of these letters and provide comment at a future meeting.

The April meeting is designated to discuss Forest Health; May will cover Phase II, and June is Travel/Access Management.

HOT TOPICS: Vice-Chair Teupel

Vice-Chair Teupel: House Concurrent Resolution #1019: Request for Forest Service to address the condition of Forest Health within the BKF. The measure was passed through both Houses and signed by Governor Rounds.

Acting Forest Supervisor (AFS) Exton: Update on the status of the lawsuit filed by former Governor Janklow on behalf of the State of South Dakota.

Federal Funding/Appropriations Status: Chairman Yelick provided an explanation of the article in the *Rapid City Journal* and the recommendation of the NFAB as it relates to the appropriations/funding levels.

Olson – Funding clarification requested on what has been appropriated for fuels treatment and the Healthy Forest Initiative. *Exton - \$740 million approved by Congress – Allocation to agencies closer to \$400 million. Natural resources agencies working within Departments to see more of the allocated dollars appropriated to the ground.*

Teupel: Request for Phase II update. *Thom - Draft expected in June, followed by analysis and selection of a preferred alternative. Schedule is looking that the Decision Notice would come in early 2005.* Teupel: What are the delays? *Ulrich: The forest simulation model has*

been taking longer to complete than originally thought. Process could be lengthened by other unforeseen delays, but there is no way of predicting what, if anything, could delay the final documents. Everett: Would propose that the Phase II Amendment be seen as a revision of the Forest Plan that would extend the next revision process beyond the 2012 timeframe. Rapid City Chamber approved the 10-year Strategy. Chair accepted comments to refer changes to the 10-year plan

- Scherrer: Is it appropriate for this group to go on record to request clarification of the matter of funding?
- Smith: Believe the Board has gone on record with their position and understand there is likely not to be full funding, but that this Board believes Forest Health to be a priority and that full-funding is the preference of this Board.
- Olson: This Board has endorsed the 10-Year Strategy and recognizing there may not be funding for this plan, this Board then has a responsibility to identify a means for obtaining the funding needed to complete the Strategy as adopted.
- Teupel: Believe this Board needs to get the message to the Regional Forester that the funding levels need to come to the Forest to implement this Strategy. That is the level to focus on to see that the funding gets distributed as this Board has identified.
- Yelick: Basically the policy decision leaves the perception that the National monuments are not important.
- Scherrer: Let the minutes reflect this discussion which will reiterate the importance of getting funding to the BKF to address the Forest Health concerns.

LOSS OF OPEN SPACE: A CONCERN TO THE CHIEF AND A CONCERN TO US ALL:
Presentation by Cara Staab, Forest Wildlife Biologist: Forest Service Chief Dale Bosworth has identified the loss of open space as one of four threats to natural resources. The loss of open space affects everyone. Staab's intention here is to present information on the current situation and trends. An opportunity for questions to be asked of herself and others with additional areas of expertise offered at the end of the presentation. *(NOTE: The presentation is being sent hard copy to the Board members along with these notes.)* *(Following are comments made during the presentation. No reference is included between comments and slides; however, it is not difficult to tie each comment to the related slide.)*

Open Space is defined as an area that provides for natural processes, wildlife, forestry, agriculture, recreation, and/or other public benefit.

Parcelization is defined as a division of large tracts into smaller tracts.

BKF is relatively unique because of the number of communities within the boundaries of the Forest. Condition and trend is not just about the Forest Service boundary but about the geographical unit. Almost 20 percent of the land base within the Forest boundary is privately owned. In comparison, the Bighorn National Forest has approximately 1 percent privately owned land within its boundary. These privately owned parcels are referred to as "in-holdings." In-holdings originated with mining claims and the Homestead Act. Until recently the Forest retained openness due to the retention of agriculture complexity. A lot of development has already occurred, but the potential for much more development still exists. This is the reference for the Chief's concerns for the loss of open space and why he has identified it as one of four threats.

Staab was asked to present information on what the cost to the Forest is to manage wildfire in an area of fragmentation. BKF and other National Forests are gearing up to conduct fuels reduction

work and the cost to the Forest Service is large because of the need to address the fragmented landbase.

Land acquisition is one method for managing land boundaries, watershed issues. The price per acre cost is growing significantly in the BKF and other Forests.

Roads identified in the PowerPoint presentation are “classified” (maintained by Forest Service, county, etc.). User-created roads are not included in the slide presentation. Staab also provided a comparison with road densities on the Bighorn National Forest.

Social impacts are commonly addressed with the statement NIMBY (not in my back yard) What do we do? We can only manage the fragmentation; we cannot eliminate it or stop it entirely.

Smart Growth refers to the tasks that private landowners can do to assist with management.

COMMENTS/QUESTIONS:

Deisch: Worked with Rocky Mountain Elk Foundation (RMEF) four years ago to gather information on area development. That information indicated the BKF is developing faster than front-range of Colorado did 30 years ago. On average, a land base equal to 14 football fields was being lost daily at the time of the study four years ago.

Kloss: A lot of the comment in the presentation related to non-industrial private-forest land. May need to have a little more information about what the FS is doing within its jurisdiction about open space management.

Exton: Chief's threat centers around those privately owned parcels within and around publicly owned forest lands. The changes seen on private will not be replicated on Forest lands because we are not going to allow subdivision development.

Kloss: What is the FS doing?

Exton: The FS uses avenues for land exchanges and acquisitions of a type that allows the Forest to acquire parcels that will block out special areas, etc.

Paulson: Receives dozens of calls from folks who want their lands to be in public ownership. Last significant blocking of land within the Forest boundary was the exchange for Custer State Park. The existing preference is to not lock out the land for use and transitioning to subdivisions increases the potential to lock out areas. Lands are identified in the Forest Plan as to what the Forest would exchange for properties within the boundary to allow for blocking up parcels.

Olson: Why does it take so long? The resident land-owner does not necessarily understand the lengthy process and how embroiled in it they can become.

Kostecky: Land ownership transference is a cumbersome process with a number of different authorities. Small Tracts Act (STA) allows the Forest to sell property to adjacent landowners who meet criteria. Exchanges are done differently because we have lands identified by a private landowner who is willing to exchange his land-locked parcel for a piece on the edge of the Forest. Strict guidelines and protocols need to be followed (63 steps in a “typical” land exchange). Idiosyncrasies within the process can extend the exchange by a year or more.

Thompson: The right of first refusal involves a lot of critical steps.

Kostecky: This is a discretionary program for the forest. If there is not a lot of emphasis, with the very limited funding available, the larger exchanges are of greater benefit to the Forest. Larger exchanges also increase the complexity of the process.

Smith: The threat of non-industrial private forest-land was referenced and Smith asked for clarification.

Exton: There are no tracts of industrial forest land within the BKF. Loss of open space resulting from large parcels converted to other uses and would like to get clarification of what

type of recommendation we make to FS on how to expand on acquisition of non-industrial private forest land to public ownership whether it be through exchange or purchase.

Recommendation by Kloss to develop an intergovernmental planning agency to assist with dealing with the issue of fragmentation and preservation of open space. A Regional Planning agency is thinly recommended within Chief Bosworth's discussion of this subject. Regional Tahoe Planning Board has a Federal Advisory Board that addresses major issues such as the lack of zoning in counties.

Staab: Believe it is critical for the counties to be involved in this discussion that will reduce potential problems of federal/state dictates to counties.

Carroll: Today's presentation was intended to simply bring information to the board and the Forest is not looking for a recommendation at this time.

Everett: Asked if he understood Cara to advocate forming a FS advisory board to communicate with counties.

Exton: Don't believe an advisory board is necessary as District Rangers are talking with commissioners on a monthly basis.

Lloyd: Any information the county commissioners request is delivered; however, the Forest walks a fine line to insure there is no perception of attempting to influence county decisions.

Margadant: A lot of people are moving into non-zoned areas; are they informed as to what the neighbor can do with his land (i.e. transfer to government ownership, subdivide, etc.)

Jack Bradt (public): Addressing "private industrial forest land," Bradt indicated he doesn't believe the problem can be solved at the Forest level, but rather needs to be addressed at the state legislative level. Valuations change significantly with changes in classification from non-agriculture (non-ag) and people are selling their land because they cannot afford the taxes based on non-ag valuations or the increases for ag valuations.

Teupel: Understand what Bradt is saying with regards to the tax structure and valuations and the affect the law has on property owners. The problem the state legislature faces is a result of the uniqueness of the BKF. Valuations need to reflect differences between BKF and the rest of the state and this complicates the matter significantly. A recommendation for ag land valuations to be based on productivity rather than assessed value creates a concern regarding tax shift and the negative impact that has on schools and counties. The tax break needed for BKF-area landowner cannot be offset by an increase in taxes for other areas of the state. Involvement with counties leaves the emphasis on "don't get into my management area." In terms of fire protection, state government pays a large share of the bill in terms of providing assistance within the counties and possibly fire protection districts need to be developed to assist with addressing protection processes in a different manner. This may lead to counties developing zoning boards that would assist with addressing the concerns and in implementation of fire protection boards. The state may be the central force that could facilitate increased county involvement in protecting open space within the FS.

Smith: Planning and zoning are not the only methods for addressing the issues related to loss of open space. Administrative and regulatory agencies work on permissions from the public. If you want to protect your community from certain problems (i.e. open sewers), a local agency (commissioners) has the authority by proscription rather than implementing other methods. Written laws and regulations cannot be perfectly written, so it is necessary to include a provision for waiver or exemption for cause shown.

Loose: Will return to the Region and attempt to get a response to the budget question. This discussion is very interesting and in forestry and planning there are a number of programs that

can assist in this situation. Recommend that someone from Region 2 State and Private Forestry (R2 S&PF) make a presentation to this Board on avenues for assistance that are available through that department.

Paulson: Appreciate Staab's presentation and would recommend we follow-up on Loose's recommendation for a presentation by R2 S&PF, as well as getting clarification of the Forest land acquisition and exchange processes.

Scherrer: The content of the letters presented earlier indicates the Board has not been clear on what the process for this Board is. There are no set agendas coming into these meetings.

PUBLIC COMMENTS:

Al Staab, Galena, SD: Is there anything that can be done for private landowners on controlling and dealing with bug infested trees? *Greg Josten, SD Division of Forestry, will assist Staab.*

Jim Hughes, Custer, SD: Represent one of the properties at high risk to future development. Recommend agencies put forth information on the importance of retaining open space. On a personal level Hughes is in a losing battle with wildlife. He has been involved in the exchange process and believes it lacks integrity and is very lengthy. Hughes expressed concern for the whole of the BKF – heritage, general appeal, etc. If the FS is allowed to proceed with an extensive land exchange program Hughes believes this will further limit the FS ability to manage those lands. Is there a conflict of interest in management? Exchanges may be needed but they need to be under combined guidance (FS, county, state, etc.).

Albert LeBeau, III: Cheyenne River Sioux Tribe Historic Archaeologist: Present as a tribal representative at the request of Bryce In The Woods and offered the following comments: Agree a hard look for retention of open areas needs to occur. American Indians (Indian) have long prioritized retention of open space. The illegal taking of the BKF in conflict with the Laramie Treaty continues to be an unsolved matter for the Indian. The tribes have a very large stake in what occurs on the BKF. LeBeau indicated he had learned a lot from the presentation and discussion and appreciated the opportunity to sit in. The length of time taken to complete an exchange is critical to LeBeau in the position he holds with the tribal agency. He believes it is critical to have the surveys and cultural compliance prior to exchanging out any lands. He suggested that a representative of the Sovereign nation could lobby Washington for added funding for the 10-year Strategy and the Forest Plan. Concern with what happens in the BKF is great for the tribal representatives, and it is good to hear the same concerns coming from non-Indian sources. This affects everyone in the Black Hills region.

Nancy Hilding, Black Hawk, SD: This fragmentation discussion did not include fragmentation caused by logging. Why? Graph included income statistics, but did this include indirect tax dollars?

Staab: Specifically did not address the interior forest fragmentation because the focus of the Chief's Four Threats does not focus in that direction. The slide referenced tax dollars in Wyoming; Staab referred this to Paulson who indicated some of the indirect tax revenue was included but not all due to complexities in tabulating.

Don Hausle, Cows, Condos, Critters & Communities: This group has been working to get a cost of community services study completed within counties in the BKF. A cost of community services study reviews municipal records to assess and reduce costs of public services.

Municipal revenues are also assigned a comparison of revenues and costs.

(Hausle submitted supplemental information the following day on this topic and that information is attached to the end of these notes.)

Scherrer: Requested that specific plans for developing specific data be submitted to this Board.

Final call for comments – none.

ELECTION will be held at the first part of the May 19 meeting.

Next meeting will be April 8.

Smith: This has been more of a briefing than a recommendation-based meeting. Planning and zoning are beyond the scope of the FS on non-forest lands.

Olson: Who is speaking at the next meeting? It was valuable to be able to present Staab with input prior to this meeting and believe this had a direct correlation on the high quality of her presentation. Knowing who will make the presentation at the next meeting will allow the Board to provide advance information on the topic so that the presenter can better address the questions or “vague areas” of the topic.

ADJOURNMENT.

The following information was provided by Donald Hausle. Mr. Hausle mentioned this information during the Public Comments portion of the meeting. No editing was done to this information. (M. Eisenbraun, Executive Assistant/Meeting Recorder)

NOTE: This information was current in July 2001.

Cost of community services studies are an easy to understand way to determine the net fiscal contribution of different land uses to local budgets. Information from municipal records is reorganized to assign the cost of local public services to:

- * privately owned ag., forest, and open lands
- * commercial and industrial, and
- * residential land use

Municipal revenues are also assigned to these land use categories.

The result is a set of ratios that compare the annual income to the annual expenditures for the different land uses.

Cost of Community Services studies can help local officials, advocates such as Cows, Condos, Critters & Communities, and the general public to evaluate three **claims** that are commonly voiced at local meetings in rural and suburban communities:

- 1) Residential development will lower property taxes by increasing the tax base;
- 2) Ranch and rural lands get an unfair tax break if they
 - a) Are assessed based on their present use for agriculture instead of their potential use for development.
- 3) Open lands, including productive farms and forests, are interim uses just waiting to be developed to their "highest and best use".

Summary of Results from Existing Studies

Cost of Community Services studies have been performed in more than 70 communities nationwide since 1986. While every community is different, Cost of Community Services studies show for every dollar of revenue generated by residential development, the median cost is \$1.15 to provide for services to this land use. By comparison, the median cost of farm, forest and open land is \$.27 per dollar of revenue, and the median cost of commercial/industrial development is \$.34 (AFT, 00/6/27)

These studies have shown that owners of farm, forest and open lands pay more in local tax revenues than it costs local government to provide services to their properties. Residential land uses, in contrast, are a net drain on municipal coffers: It costs local governments more to provide services to homeowners than residential landowners pay in property taxes.

The findings of Cost of Community Services studies are consistent with those of conventional fiscal impact analyses, which document the high cost of residential development and recommend commercial and industrial development to help balance local budgets. What is unique about Cost of Community Services studies is that they show that agricultural land is similar to other commercial and industrial uses. In every community studied, farm and ranch land has generated a fiscal surplus to help offset the shortfall created by residential demand for public serves. This is true even when the land is assessed at its current agricultural use.

Communities need reliable information to help them see the full picture of their land uses. Cost of Community Services studies are an inexpensive way to evaluate the net contribution of farm and open lands. They can help local leaders discard the notion that natural resources must be converted to other uses to ensure fiscal stability. They also dispel the myths that residential development leads to lower taxes; that differential assessment programs give landowners an unfair tax break and that farmland is just waiting around for development.