

BARNUM TIMBER COMPANY

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HUMBOLDT COUNTY
PLANNING DIVISION

August 8, 2007

Mr. Steve Launi
Chairman
Humboldt County Forestry Review Committee
3015 H Street
Eureka, CA 95501

Dear Chairman Launi and Committee Members,

I am writing on behalf of Barnum Timber Company to comment on tonight's hearing regarding the General Plan Update of the Forest Resources Element. Barnum Timber Company is a family-owned operation that grows and harvests trees on approximately 35,000 acres of timberland in Humboldt County. The recommendations that the Committee makes to the Planning Commission and the Board of Supervisors regarding forest land use will determine the long-term viability of our family forestry business.

My main requests of this letter are:

1. **Recommend that there be no increase in the current minimum TPZ parcel size and preserve development by right.**
2. **Demand that your staff provide an economic analysis of any proposed changes to current minimum TPZ parcel sizes and development rights, and a Humboldt County specific analysis of any proposed change's effect on timber productivity.**

Of particular importance to Barnum Timber Company is your recommendation of the minimum TPZ parcel size that will still successfully support timber production. I believe the existing standards of 160-acre minimum, with the ability to divide down to 40-acres using the Joint Timber Management Plan process is successfully protecting resource production in the County. I believe that increasing these minimums will be detrimental to the forest products economy in Humboldt County and potentially harm the ability of larger timberland owners to maintain their property in timber production.

The hearing conducted by the FRC last year that resulted in a motion to recommend to the Board of Supervisors that the merger ordinance be rescinded was a result of a discussion by the FRC that concluded that the current minimum TPZ parcel size standards were beneficial to the forest productivity of private lands in Humboldt County. Given this decision by the FRC just last year, I must ask that if the committee makes a different conclusion now, what substantial and specific evidence are you relying upon

that suggests that increasing the minimum TPZ parcel size will benefit timber productivity on TPZ lands in Humboldt County? The preparatory materials distributed by your staff prior to tonight's meeting does not include ANY specific evidence demonstrating that increasing the current minimum TPZ parcel size will maintain or increase timberland productivity in Humboldt County.

In fact, I represent to you as a manager of private timberlands in Humboldt County with over 20-years experience that increasing the minimum TPZ parcel size will HARM the ability of owners of larger tracts of forest to maintain larger management tracts, thus putting the economic viability of these forestry entities in jeopardy of dissolution. This is a risk that is unique to our present time, and I ask that you please read on as I explain myself.

Barnum Timber Company's current situation is similar to many other timberland owners in Humboldt County, both large and small. For over 70-years the Barnum family has owned timberland for the sole objective of growing and harvesting trees. During the post-World War II logging boom, much of Barnum's timberland was harvested as was similar to most other private timberlands in Humboldt County. Since that time, Barnum's forests have been regenerating and the primary objective of our harvesting has been to increase the productivity of these forests.

Today, the timberlands we own are dominated by young forests that are growing at a very high rate, but are approximately one to two decades from maturity at which point economic harvest can begin again. It is our hope to one day have the ability to harvest an average of somewhere between 1 percent and 3 percent of our timber inventory annually. Our struggle today—similar to many other timberland owners in Humboldt County—is to remain economically viable until the day when we can begin harvesting our second growth. Given the current depressed Douglas-fir log market, very high permitting costs, very high logging costs and a generally punitive social attitude toward logging, our current struggle is of epic proportions.

As a private, self-supporting entity, Barnum Timber Company must generate regular revenue to pay expenses, which include significant annual property taxes paid to Humboldt County. We must also generate revenue to properly maintain our roads to prevent environmental damage. In the absence of harvesting, we are often faced with the difficult decision to sell some land in order to generate revenue. When faced with this difficult decision, we strive to sell the fewest acres that generate the greatest revenue: This means selling a smaller parcel that gains us the highest value per acre.

Therefore, the FRC should strive to maintain the highest value for each TPZ acre in order to protect timberland productivity. This will not result in an increase in sales of TPZ parcels but rather a preservation of the larger land holdings. I have seen that as a rule, the most valuable and smaller TPZ parcels that are good candidates for sale by larger landowners are located where similar parcels exist and potential residential use is appropriate.

If the County decides to increase the minimum parcel size we would then be forced to sell larger parcels, which would then result in a greater reduction of our core land base. An increase in the minimum parcel size will increase the rate of acreage loss to one of the largest privately-owned forest land base in Humboldt County, which presumably is not the objective of the County Planning Department. Therefore I believe that increasing the minimum TPZ parcel size now will achieve the opposite of the desired results described in the draft Forest Resources Element.

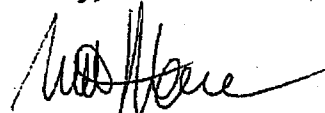
The importance of maintaining current minimum TPZ parcel sizes for the next 20-years is critical. After 20-years the age-class distribution of the majority of Humboldt County's private timberlands will have entered maturity and will thus be more economically viable. At that time perhaps the County will want to re-examine the minimum TPZ parcel standard. There is no evidence in the record that suggests the current rate of TPZ parcel ownership transfer under the current TPZ minimum parcel sizes is harming timberland productivity in Humboldt County. In fact, the data presented in the draft Forest Resources Element shows that loss of productivity due to timberland conversion is *de minimis*.

It is important for the FRC, Planning Commission and Board of Supervisors to recall that the General Plan will be in effect for only 20-years, and therefore should not treat the policies they recommend or adopt as if they were to be effective infinitely. If in 20-years time the conditions change such that TPZ parcel size should be changed to provide significant benefit, then it can be done at that time.

Finally, I want you to please correct the record regarding a request I made of your staff at your last meeting, I asked that the entire record from your hearing last year on the merger ordinance be added to this proceeding on the Forest Resources Element. Your staff's transcription of my request in the minutes of your last meeting did not accurately reflect my request.

Thank you all for your serious consideration of this important matter facing Humboldt County's forests.

Sincerely,



Stephen R. Horner
General Manager