

# **Hollow Framework: Plum Creek's Doublespeak**

**Primary Authors: Heidi Overbeck, Matthew Davis and John Rumpler**



**Environment Maine Research & Policy Center**

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As a precursor to reintroduction of its plan, Plum Creek announced on March 30, 2006 a “conservation framework” to accompany its unprecedented development plan for Moosehead Lake. While this “framework” has been very successful at garnering positive press for Plum Creek, most of its conservation promises are illusory. Moreover, even those false promises omit some of the most ecologically sensitive and recreationally vital areas from protection. On balance, the environmental degradation from Plum Creek’s proposed development would far exceed the actual commitments that the company is offering.

### Acres of Illusion

Plum Creek’s oft-repeated claim its plan “permanently protects over 400,000 acres from development”<sup>1</sup> is demonstrably false or misleading in several respects. First, there are no guarantees that these acres will in fact be protected. The Conservation Framework is not a conservation deal; it is a document of purchase options, only binding upon approval of Plum Creek’s development plan. The Framework simply sets up an understanding between the negotiators of *how* certain lands *can be* preserved, if Plum Creek is not paid for the lands or the conservation easements, there is no assurance that certain lands *will be* preserved.<sup>2</sup>

Second, even the framework’s purchase options come with strings attached – the framework becomes null and void if the State of Maine does not approve Plum Creek’s concept plan.<sup>3</sup> Even if Plum Creek receives full approval from LURC, nothing in the framework guarantees that all 400,000 acres to be permanently protected from development. The only conservation component that state approval secures is a working forest conservation easement on 71,000 acres. For the remaining acres, the framework only creates purchase options, with considerable costs attached. The framework offers “a 15 year option to a qualified conservation entity to purchase a working forest conservation easement over another 269,000 acres, and a 5 year option to the State to purchase 27,000 acres in the Roach Ponds area.”<sup>4</sup>

Third, there is the matter of the public purse. Plum Creek is offering this conservation framework in exchange for something it wants from the State of Maine – approval of its sprawling development plan. But it is not as if Maine gets the conservation easement in exchange for its regulatory approval. Maine simply gets the option to use taxpayer dollars to buy Plum Creek’s land in exchange for its approval. Additionally, current zoning would likely prohibit Plum Creek from aggressively developing these areas that it is offering up for conservation. Some development might be allowed under “two in five” exemption, which would allow Plum Creek to sell off two large parcels over a course of 5 years within parts of its

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<sup>1</sup> Plum Creek, Informational Ad, [www.plumcreekplanmaine.com/home/view\\_plum\\_creeks\\_informational\\_ad](http://www.plumcreekplanmaine.com/home/view_plum_creeks_informational_ad), accessed on April 11, 2006.

<sup>2</sup> The Nature Conservancy, News Release, March 30, 2006.

<sup>3</sup> The Nature Conservancy, News Release, March 30, 2006.

<sup>4</sup> Dr. Charles Colgan, *Estimated Economic Impacts of Implementing the Proposed 2006 Plum Creek Rezoning Plan in the Moosehead Lake Area*, March 2006, p. 9.

holdings without regulatory review. Anyone looking to develop those lands would need to get approval from LURC. The Open Space Institute estimated that Plum Creek might be able to sell off approximately 800 lots, but the process would stretch over a longer period of time than they would under their current rezoning proposal, and return less profit to Plum Creek. Basically, Plum Creek is not offering Maine much, but requesting a lot in return- the largest development in Maine's history.

Fourth, it is crucial to note that Plum Creek's promise to keep these acres in "conservation" does not mean pristine undisturbed habitat and recreational solitude. Rather, these areas will remain open to commercial logging. And while timbering has its place in the North Woods, such activity is a far cry from what most Mainers think when they hear the phrase "conservation lands."

Fifth, and finally, genuine conservation measures would place the acreage in question under a strong preservation rubric – including:

- Landscape-scale conservation easements that include permanent protection of, and best management practices around, lake and river shorelines.
- Permanent protection of, and no harvesting on, identified critical wildlife habitat, scenic resources, high-value nature-based recreation destinations, and ecologically sensitive areas.
- Guaranteed public access for recreational uses on all conservation easements, except for limited access on critical wildlife habitat and ecologically sensitive areas.
- Conservation easements offered to conservation entities and the State of Maine at below market value.
- Third-party certified sustainable forestry on working forest conservation easements.

### ***Saving the Best for . . . Developing Later.***

Even if one credits Plum Creek with all the dubious acreage referenced in its framework, the company is failing to protect some of the most important features of the Moosehead Lake landscape. For example, Plum Creek's framework does not include the shoreline of the Brassua Lake peninsula, portions of Indian Pond, and approximately half of the Lily Bay peninsula<sup>5</sup> - all areas recognized by both Moosehead Region Futures Committee and Natural Resource Council of Maine as ecologically sensitive and/or highly valued nature tourism areas that should be permanently protected.<sup>6</sup>

Moreover, absent a significant change, Plum Creek's concept plan would still create a green-light-for-development corridor on critical habitat and recreational destinations that is more than 2.5 times the size of Plum Creek's originally proposed development - with only a temporary "no-

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<sup>5</sup> Plum Creek, [www.plumcreekplanmaine.com/home/plan\\_summary\\_map/conservation\\_map](http://www.plumcreekplanmaine.com/home/plan_summary_map/conservation_map), accessed on April 12, 2006.

<sup>6</sup> See Moosehead Region Futures Committee, *Citizen Solutions: Planning and Zoning Recommendations for Plum Creek's Moosehead Region Land*, [www.mooseheadfutures.org/CSmap.htm](http://www.mooseheadfutures.org/CSmap.htm), accessed on April 12, 2006, and Natural Resources Council of Maine, *A Vision for the Moosehead Lake Region*, Spring 2006.

development” zone around much of the Moosehead Lake shoreline.<sup>7</sup> And there is every reason to believe that Plum Creek would seek to develop this corridor as soon as possible.

“The primary goal of Plum Creek,” says Rick Holley,” is to find ways to improve earnings and cash flow.”<sup>8</sup> As a REIT, Plum Creek’s primary responsibility is to its shareholders. In communication with investors, Plum Creek officials describe a strategy focused on extracting the most value per acre from its holdings. Intrinsic to that strategy is the company’s focus on developing its best property. In Plum Creek’s 2005 annual report, the company identifies 1.3 million acres of “higher and better use” lands among its 8.2 million acres in total holdings. Plum Creek is currently pursuing development on 225,000 acres, including approximately 10,000 acres in Maine. Rick Holley calls the development properties “our gems.”<sup>9</sup>

With development properties, Plum Creek times the sale of its land to extract the most value from it. According to Tom Lindquist, “the right time is now.” As baby-boomers retire, they are “driving interest in second homes,” and they want “land that’s appealing to outdoor enthusiasts in great recreation neighborhoods.” Lindquist estimates that real estate development returns \$3000-7000/acre above timber value on its higher and better use lands.<sup>10</sup> Some of the very lands not covered by the conservation framework would fit under this definition of higher development return.

### ***How to “Balance” Plum Creek’s Planned Disaster for Moosehead Lake?***

Nothing in the conservation framework changes the central fact in this dispute: Plum Creek’s revised plan will likely be a disaster for Moosehead Lake. According to the company’s website, Plum Creek continues to pursue two resorts, which collectively span 3,100 acres, and the same number of house lots.<sup>11</sup> To put this in perspective, the 975 house lots proposed by Plum Creek outnumber the single-family, owner-occupied residences of Greenville, Rockwood, and Jackman combined by nearly 140%.<sup>12</sup> Despite Plum Creek’s promise to focus development around existing towns,<sup>13</sup> it still proposes significant development in remote, sensitive, or highly valued areas, such as Brassua Lake, Lily Bay, and the north shoreline of Moosehead Lake. More than doubling the residential development for the area leaves a tremendous footprint and exercises considerable strain on local services and infrastructure. In short, the plan would still significantly alter the signature landscape of Moosehead Lake and introduce sprawl into the largest untouched and unbroken wilderness in the otherwise settled East.

It is difficult to imagine how the illusory promises in Plum Creek’s conservation framework could begin to “balance” the devastating impacts of such a development. In fact, a review of

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<sup>7</sup> Plum Creek, [www.plumcreekplanmaine.com/home/plan\\_summary\\_map](http://www.plumcreekplanmaine.com/home/plan_summary_map), accessed on April 12, 2006.

<sup>8</sup> Q4 2004 Plum Creek Timber Earnings Conference Call, January 31, 2005.

<sup>9</sup> Plum Creek Timber Analyst Meeting, November 30, 2005.

<sup>10</sup> Plum Creek Timber Analyst Meeting, November 30, 2005.

<sup>11</sup> Plum Creek, [www.plumcreekplanmaine.com/resource/d/84620/change.pdf](http://www.plumcreekplanmaine.com/resource/d/84620/change.pdf), accessed on April 11, 2006. Details of Plum Creek’s revised plan are also documented in John Richardson’s article, “Change of plans from Plum Creek,” Portland Press Herald, April 5, 2006.

<sup>12</sup> U.S. Census Bureau, American Fact Finder, [http://factfinder.census.gov/home/saff/main.html?\\_lang=en](http://factfinder.census.gov/home/saff/main.html?_lang=en).

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LURC's concept plan criteria indicate that Plum Creek comes nowhere close to achieving such a balance. For example, LURC requires that "[t]he plan, taken as a whole, is at least as protective of the natural environment as the subdistricts which it replaces."<sup>14</sup> But while the development's impacts are harsh, certain, and irreversible, Plum Creek's framework lacks guarantees, is limited in both scope and scale, and allows for even larger-scale development at Moosehead Lake down the road. Similarly, while LURC requires that a plan protect "those resources in need of protection,"<sup>15</sup> Plum Creek's framework fails to protect some of the most vital ecological and recreational areas in the region.

### *A Better Vision For Moosehead Lake*

At the heart of the debate on the future of the Moosehead Lake region is the difference in the value it holds for Plum Creek and the value it holds for Maine. For Plum Creek, given its mission to return the highest dividend to its shareholders, it is more valuable to pursue real estate development on the pristine shores of Moosehead Lake. Conversely, for Maine, given its growing nature-based economy, it is more valuable to keep the Moosehead Lake wilderness intact, open to public access, sustainably forested, and undeveloped. The Moosehead Lake region will be better off if development is focused around service centers so that attractive wilderness areas are retained for nature-based tourism and recreation.

Nature-based tourism is the fastest growing economic sector in Maine and the Moosehead Lake region. In 2001 alone, wildlife-related activities contributed \$916 million to the state's economy.<sup>16</sup> Recreation service jobs in the Moosehead Lake region grew by at least 15-20 percent according to LURC's projections.<sup>17</sup> In order for nature-based tourism to thrive in the region, Maine must preserve the scenery, ecology, and history of the surrounding wilderness. Meanwhile, the communities that serve as hubs for the industry, like Greenville, should continue to be the focus for any development. Unfortunately, the Conservation Framework does not protect the highly-valued recreation areas and destinations of shorelands and other important wilderness that would underpin the nature-based economy.

Using calculations from an economic report on the Rangeley Lakes region, a region quite similar to the Moosehead Lake region, the Moosehead Region Futures Committee suggests that tourism in the Moosehead Lake region generates at least \$38 million per year and 700-800 full-time equivalent jobs.<sup>18</sup> The number of jobs projected by this calculation not only trumps Plum Creek's commissioned estimations of jobs in the recreation industry and services sector after plan build-out,<sup>19</sup> they promise a sustainable economy for the region and state that both protects and benefits from the preservation of Maine's natural heritage.

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<sup>14</sup> Land Use Regulation Commission, ch. 10, § 10.23(H)(6)(d),(e),(g).

<sup>15</sup> Id.

<sup>16</sup> U.S. Department of Interior, Fish and Wildlife Service, *2001 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation*.

<sup>17</sup> LURC, *Comprehensive Land Use Plan*, pg. 111.

<sup>18</sup> Moosehead Region Futures Committee,

<sup>19</sup> Colgan, p. 21, Table 10. Colgan notes a sharp drop in employment effects for the Moosehead Lake region by 2020, with slight decreases in five-year increments thereafter.

LURC states in its comprehensive plan for the unorganized territories, “The lands of the jurisdiction offer exceptional recreational opportunities for Maine residents and visitors alike. These opportunities are created by the presence of recreational resources that are unparalleled in the Eastern United States in terms of abundance, diversity, and uniqueness... For many users, these remote, undeveloped qualities not only enhance, but essentially define, their recreational experience, distinguishing it from excursions in more populous areas. As other creational lands are increasingly developed, opportunities for backcountry experiences will become scarcer, and the remote values of the jurisdiction will become even more highly prized.”<sup>20</sup> The recreational resources to which LURC refers are not the tourist facilities or 975 house lots proposed by Plum Creek – they are the qualities of remote, undeveloped wilderness. The economic impact of Plum Creek’s proposed development depreciates after its peak. Conversely, the remote quality of the Moosehead Lake wilderness will return increasing value to Greenville through its growing recreational economy, which relies on the very same highly prized and ecologically sensitive areas that Plum Creek proposes to develop around Moosehead Lake.

***Next Step: Step Back***

Environment Maine Research & Policy Center urges LURC to adhere to its charge to develop a special plan for the Moosehead Lake region as recommended in its Comprehensive Land Use Plan. The Moosehead Lake region is too precious for Maine’s current and future generations to allow Plum Creek to redefine the character and landscape of the region. LURC should only consider Plum Creek’s development plan after it seriously considers the issue of long range planning for the region. Failing that, LURC will not have appropriate guidelines with which to judge and critique the large development proposal of Plum Creek.

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<sup>20</sup> Land Use Regulation Commission, **Comprehensive Land Use Plan**, pg. 59.