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The Metolius River Basin: Natural getaway or county's cash cow?

Jefferson County wants a resort in central Oregon that Senate Bill 30 would prohibit

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CAMP SHERMAN -- Destination resorts could be called rural Oregon's version of the mythical philosopher's stone that turned lead into gold.

For cash-strapped counties, resorts perform a similar alchemy, transforming fields and forestland into reliable revenue. At least that was the idea last December when Jefferson County set aside two large properties near the scenic Metolius River for resorts.

"Whether or not you like what destination resorts have done, it's phenomenally significant what they do to property tax revenues," said Bill Bellamy, a county commissioner.

But a bill introduced this month in the Legislature may stop any development before it gets started. Senate Bill 30 would forbid resorts within three miles of the Metolius Basin, effectively eliminating the county's resort zone.

"I believe the Metolius Basin is one of the most special places in Oregon, indeed America, and therefore deserves special protection," said Sen. Ben Westlund, D-Tumalo, the bill's chief sponsor.

Now the two sides are locked in a wrangle that could determine the future face of the basin and Camp Sherman, the unincorporated community at its core.

"This is simply an end run to circumvent Oregon state statutes on resort mapping," former Madras Mayor Rick Allen said. He's a lobbyist for the Ponderosa Land & Cattle Co, which hopes to build a resort on 10,000 acres it owns on Green Ridge along the basin's eastern edge.

County economy hurting

West of Sisters, the Metolius River flows from a series of springs near the base of Black Butte and runs through a landscape of yellow-bellied pines and basalt before joining the Deschutes River at Lake Billy Chinook. In 1990, the U.S. Forest Service established an 86,000-acre conservation area to protect the basin's forests and waterways.

Today its transparent water and the trout it holds lures fly fishermen from around the world. But 100 years ago, the area was a summer getaway for Sherman County wheat farmers. In 1916, people built the first cabins along the Metolius near Camp Sherman.

The bucolic community is home to about 200 full-time residents, numerous summer cabins, a few small lodges, a post office, store, cafe and the Chapel in the Pines church. Though it's part of Jefferson County, Camp Sherman can seem a world apart from Madras, the county seat surrounded by irrigated farms, sagebrush and rimrock.

And it has little in common with the county's struggling agricultural and manufacturing economy. Unemployment in Jefferson County is 7.7 percent, about two points higher than in Deschutes County, where resorts are part of the landscape. Last month, two major local employers, Seaswirl Boats Inc. and Bright Wood Corp., announced plant closures and the elimination of hundreds of jobs.

"Jefferson County is frankly not in a real strong economic position, and they see this as a great benefit," said Shane Lundgren, a Sisters resident and partner in Dutch Pacific Resources.

The company proposes an "ecological resort" on 627 acres across U.S. 20 from Suttle Lake, one of the two properties that the county has zoned for resorts.

Economic development for eastern Oregon is what state leaders in the 1980s envisioned when they wrote resorts into a state land-use planning framework that discouraged sprawl. More recently, the national ascension of the second-home market has kindled investors' interest in resorts and caused a modern day land rush to build them in central Oregon and the Rogue Valley.

There are half a dozen new or existing resorts in Deschutes County, from Sunriver to high-end Pronghorn, where Joe Montana and Mia Hamm own homes. To the east in Crook County, three resorts are under development or construction, expected to add thousands of new homes in rural areas such as Powell Butte.

Groups appeal resort zone

In Jefferson County, conservation groups, local tribes and area landowners are concerned about the possible effects of resorts on water supplies and traffic. They've appealed the county's resort zoning law, as well as its new countywide comprehensive plan, to the state Land Use Board of Appeals.

It could be months before the state board rules on the appeals, so the focus of the fight now is in the Legislature and on Westlund's bill to wipe out the resort designation.

"The impacts on this valley would be dramatic in terms of traffic, schools and recreation pressure," said Peter Schay, vice president of the land-use watchdog group Friends of the Metolius, which supports the bill.

But the county wants to see the bill die, Bellamy said. County officials held a dozen public hearings before passing their resort zone and responded to concerns by paring down the amount of land dedicated to resorts to the two properties, he said.

The county will address other concerns when developers actually apply for building permits, he said. No detailed proposals have been put forward yet.

"If they take water out of the Metolius River, and it affects the flows of the river, they are not going to get a destination resort," he said.

Still, the appeals were no surprise, Bellamy said. Controversy comes with the territory when discussing destination resorts.

In Jackson County, for example, the state is challenging county plans to allow a resort on sensitive big game habitat. In Redmond, the city has expressed concern over how the extra people traveling to and from resorts in their area will affect local roads.

Westlund's bill is assigned to the Education and General Government Committee, which is expected to vote on the proposal by the end of April, he said.

He's open to compromise so long as Metolius flows are protected.

"I'm always willing and hoping to make this or any bill better," Westlund said.

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