

Our Reaction to NCSU's Orwellian "Hofmann Facts" website

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September 14, 2014

Reference: <http://www.ncsu.edu/hofmann-facts/> (as viewed 9/14/2014)

And our updated timeline of Hofmann events and our response to the new sale agreement (both documents attached)

Reading NCSU's version of events on their new "Hofmann Facts" website, one would get the impression that the University has never done anything wrong, secretive, or otherwise reprehensible during their ongoing attempt to privatize Hofmann Forest, the largest tract of state-owned land in North Carolina. Mostly glaringly, they completely omit any mention of corn farmer Jerry Walker (or his daughter the Purdue alumnus), the leaked Hofmann Forest LLC/Walker prospectus, or the intensive farming and development plans that were contained therein. Nor do they devote any space to discussing the fact that they pretended to be shocked when that prospectus emerged and it revealed that the corn farmer they were signing the forest over to had in fact prepared plans for converting the land into cornfields.

NCSU also fails to mention the numerous times that various University leaders have misrepresented the truth over the past year and half with bald statements such as **A. they weren't thinking of selling Hofmann Forest outright, only an easement** (emailed to faculty three days before the outright sale was announced), **B. Hofmann Forest is private land** (despite the letter from the Attorney General stating clearly it is owned by the State and thus not taxable), **C. the Hofmann sale wasn't imminent** (told to a Judge a mere month before the sale agreement was proudly announced), **D. sale opponents would like the Hofmann sale agreement when we saw it** (why would we like a plan to sell the forest to a corn farmer/developer?), **E. selling the forest with an easement was a strict criteria for the sale** (as told to concerned alumni who wrote the University about Hofmann), **F. the Hofmann sale agreement with the Walkers represented a working forest easement** (not true, but told anyway to the NCSU Student Senate when they were considering opposing the sale), and **G. they never said the Hofmann Forest sale would include an easement** (when all else fails...). Please see our detailed Hofmann Forest timeline (updated version attached) for an accounting of many of these statements and a factual contradiction of many of the defenses NCSU attempts to raise in their misleading "Hofmann Facts" storyline.

They also seem to be pretending that the revised sale plan is somehow an intentional move by NCSU to improve the sustainability of the Hofmann Forest sale, which if true would help convince a skeptical public that progress was being made to address the grievances of sale opponents. Actually, our current understanding is that the Walkers themselves recruited RMS to step into the deal to take on the lion's share of the property and associated financial risks, and **we speculate the Walkers did so out of desperation when faced with: the ongoing wetlands investigations by the EPA, our increasingly vigorous public opposition efforts,**

our ongoing lawsuit headed to the NC Court of Appeals, and perhaps most importantly, the collapse of the price of corn (which has fallen by 2/3rds from its peak at the point when the Walker's decision to purchase Hofmann Forest was made).

We would be happy to exploit the message from NCSU that the new deal is somehow more consistent with the values of the College of Natural Resources, by pointing out that this implies they are finally admitting the old deal that they signed and then defended for months truly fell far short of the criteria that were listed for the sale. But that gives the University too much credit for trying to do the right thing here, when the reality appears to be that the parties involved are panicking and the new deal is a last ditch effort to salvage the sale at a reduced price. It also gives the new deal with RMS and the Walkers too much credit for being a transcendental improvement with respect to environmental outcomes, when unfortunately that is not the case. We have prepared a separate statement addressing the inadequacies of the new sale agreement (attached).

After the Hofmann sale was announced in January 2013, Dean Watzin was asked to meet with forestry faculty and students three or four times, and did so. At no time did she ever call a College wide meeting to discuss the Hofmann and hear views, debate, or discussion. And in any emails or web posts, she always maintained that the Hofmann would be maintained as a working forest. So overall, the public input and consultation (1) consisted of 4 pretend pre-sale announcements meetings and a few post announcement meetings called by faculty, where (2) outright falsehoods about partial monetization and working forest protections were promised; and (3) massive opposition to any sale was totally ignored. In fact, the final deal of total sale to agriculture business firm with zero forest protections was NEVER mentioned by the Deans, and totally opposed by all persons at the few pretend meetings held (NOT "dozens"). So the faculty, student, and public consultation was a complete, carefully orchestrated, deceitful charade, from start to finish, where all public input was ignored, and the Foundation and Deans did not even do what they promised to do in every meeting and communication.

In terms of additional rebuttals, it is worth pointing out that the NCSU "Hofmann Facts" website raises straw man arguments by claiming that sale opponents view the forest as "pristine", and by asserting that sale opponents were predicting that 2/3rds of the property were likely to be converted to urban developments. Under the original deal signed last October with the Walkers, it was not just likely but highly probable that 2/3rds of the forest would have been replaced by 45,000 acres of cornfields and 9000 acres of urban development. With the new sale agreement revealed this month, such an outcome is less likely perhaps but is still entirely possible given the lack of legal protections afforded to the forest.

NCSU also claims that the Hofmann Forest was not used enough to justify keeping the land, with the majority of CNR students no longer visiting the Forest. The faculty who do use the forest provided a detailed 8-page list of Hofmann uses to the Dean

and NR Foundation before the sale, which was apparently not distributed before the vote to sell. Every one of the 80 or so NCSU forestry students attends classes that visit the Hofmann at some time, and many other College students visit it as well and do research there. There is even a house there just for student use. The Hofmann is the only production Forest CNR has in the Coastal Plain, where 2/3rds of the forest industry in the South is located. On the other hand, there only about 30 students who ever use the Wood Products lab on campus—the smallest minority of all CNR programs—and very few persons use the pulp mill or are in the golf program. With more than 1000 students in CNR, there is no single teaching facility that is used by a majority of CNR students with the exception of the classroom buildings themselves.

Could Hofmann Forest be used more by the University? Absolutely, but that would require full and convenient access to students and faculty from numerous departments, and enthusiasm for such use on the part of University and Foundation leaders. The reality over the past few decades has been that educational use of Hofmann Forest has been actively discouraged, by a combination of the timber company that held a long-term lease on the land and at times excluded faculty altogether, a somewhat parochial Forestry Foundation that tried to prevent its control over Hofmann from being usurped by the College, and a series of Deans of the College of Natural Resources who were scheming to sell the forest and saw little reason to invest resources into promoting the truly immense scale of usage that a 79,000-acre university field station could sustain. Despite these challenges, a number of faculty still made the concerted effort needed to keep Hofmann Forest in use for educational purposes, fulfilling as best as they could the dreams of Doc Hofmann when he purchased the forest for the benefit of the University.

NCSU also points out several times that income from the forest has declined, but fails to mention this decline is due to intense overcutting of the forest that was conducted during the recent Great Recession. During the recession the university and College endowment funds' stock investments performed quite poorly, and leaders attempted to rely more heavily on Hofmann Forest to make up the difference. Eventually they ran out of sufficient timber to cut, and the reduction in income that inevitably followed conveniently allowed them to claim that the forest's financial yields were declining (when actual sustainable yield estimates suggest \$2 million/year could be achieved over the long-term). **NCSU also forgets to mention any risk of investing the proceeds from selling the Hofmann into the very stock market whose catastrophic collapse is still so fresh in all of our minds.**

NCSU's website notes that there is an ongoing EPA review of the Hofmann—but fails to mention that the purpose of the review is to determine if the Natural Resources (NR) Foundation management violated Section 404 dredge and fill permit requirements under the Clean Water Act. So the NR Foundation could be subject to major fines, or at least have to remediate (at potentially great expense) any legal transgressions it made.

NCSU's propaganda page does admit there is a lawsuit—which it maintains is without merit—but does not tell anybody what it is about. Our lawsuit is simple. We observe that the Hofmann Forest is State land, and that as such the university should perform an environmental analysis as required by the State Environmental Policy Act (SEPA). Once alternatives have been identified and the public has had a chance to review and comment on them per SEPA requirements, the University must then select a conservation-minded alternative for the forest in order to be consistent with the environmental policy so clearly stated by the NC Constitution.

The NR Foundation and the NCSU Endowment Fund have paid no property taxes on Hofmann for 80 years because they say the land is public, and the Attorney General wrote a letter in 1980 specifically stating that Hofmann was owned by the State of North Carolina (see link above, 1980). One would think these concrete facts would prevent university leaders from ever claiming that Hofmann Forest is private land, but we suppose shame is sometimes a difficult emotion to invoke in certain individuals.

The Hofmann plaintiffs include a professor, a conservationist, a local resident, a former President of the Forestry and Natural Resource Foundations, and a professor emeritus and alum who was deeply involved in the Forest hydrology. We of course should be able to provide input into the decision, and it is ironic the university is trying to prove that we cannot when they say they have had open consultation and listened to input about the sale.

The NR Foundation and NCSU also should leap at the chance to analyze the environmental impacts of the sale; that is what we say we teach in the College of Natural Resources. Repudiating the importance of environmental and social analysis is repudiating the mission of the College and University, as well as violating the State Environmental Policy Act and the NC Constitution. So by countering the lawsuit, NCSU is essentially trying to prove that what we teach is worthless if they or someone else can make more money by ignoring it. And by having their lawyers argue that the sale of the forest will result in zero damage to the natural environment, the University and Foundation are gravely insulting the expertise of large numbers of NCSU faculty (including the Dean herself!) and graduate students who could attest otherwise.

Our lawsuit simply says NCSU should follow SEPA as is required of all state agencies including the institutions of the UNC system, and we should keep and manage the world's largest educational forest unless a thorough, open, and inclusive analysis says that we should not. The Hofmann Forest is the largest, most valuable piece of State property in North Carolina. Keep it green.