

**Statement of Jerrell Ferguson**  
**Diamond Point Summer Homes Association**  
**before the**  
**U.S. House of Representatives Subcommittee on Forests and Forest Health**  
**concerning**  
**Tonto and Coconino National Forests Land Exchange Act**

June 20, 2002

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to testify today. My name is Jerrell ("Jim") Ferguson, and I am a member of the Diamond Point Summer Homes Association. Our association has 45 residential cabins currently permitted on federal land within the Tonto National Forest east of Payson, Arizona.

**Diamond Point Land Exchange**

Over forty years ago, under a program to encourage public use of the nation's forests, the U.S. Forest Service permitted our members to build cabins on a parcel of National Forest land located near Diamond Point. Like other similar "recreation residences", the 108-acre parcel has no public access and is managed as if in private ownership, with a number of roads, driveways, water systems, and other improvements associated with the residences.

The Federal land was identified for disposal in the 1985 Tonto National Forest Plan. We began discussing a land exchange with the Forest Service in 1999. In November 2000, we proposed an exchange of the 495-acre Q Ranch parcel for the Federal land underlying our members' cabins. Because the Q Ranch acquisition was of such significant public interest, and because the owner of the Ranch had listed it for sale on the private market, The Conservation Fund, a national leader in land protection, agreed to purchase the property and option it to the Association for use in the land exchange. The Forest Service confirmed that the Q Ranch was a very high priority for Federal acquisition and encouraged us to proceed with the exchange proposal.

Since that time, we have paid for a land survey and a cultural resources inventory of the Federal property. The Conservation Fund spent over \$2 million dollars of their limited resources on the Q Ranch, anticipating the exchange would have been completed by now, and thereby releasing their funds for further land protection work. We have had numerous meetings with Forest Service representatives at all levels and while their vocal support for the transaction remains strong, almost no progress has been made in advancing the process. In fact, as alluded to by Congressman Hayworth, in the seventeen months since our first formal proposal to the Forest Service, four of our members have died. Yet the agency has still not executed the non-binding Agreement to Initiate the exchange process.

The Federal land proposed for conveyance to the private sector is already treated like private land and was specifically identified in the Forest Plan for disposal. The Q Ranch acquisition represents the third and final transaction necessary for the United States to acquire a major inholding in the Tonto National Forest. The

exchange proposal has enjoyed broad support and literally no opposition. This exchange is so clearly in the public interest, it is difficult to explain why the Forest Service has been incapable of moving it forward under the administrative process.

### **Montezuma Castle Land Exchange**

Although I do not represent the private proponents of the Montezuma Castle Land Exchange, I am prepared to speak on their behalf. Since the mid 1990's, they have been frustrated in their efforts to complete a straight-forward exchange with the Forest Service.

This land exchange was originally proposed to the Forest Service in May 1994 and included a number of parcels of non-Federal land in exchange Federal land within and around the Town of Payson. The Forest Service had encouraged the acquisition of the private lands for the exchange, including the Montezuma Castle and Double Cabin Park parcels. However, the agency never authorized the documents required to initiate an administrative exchange. The local landowners endured years of frustration, and significant investment in cultural resources surveys, valuation work and NEPA studies.

With the January 2000 encouragement of the former Tonto National Forest Supervisor and the Town of Payson, the participants spent additional funds to restructure and reduce the size of the exchange proposal. However, with a change in Forest Supervisors, the agency then abandoned the exchange, and the local investors were left holding millions of dollars worth of land that the Forest Service had encouraged them to purchase. The current Montezuma Castle Land Exchange proposal involves approximately 222 acres of Federal land needed for commercial and residential development within the Town of Payson.

The land at Montezuma Castle is critical to the Monument's views shed, and includes important riparian habitat along Beaver Creek. The land at Double Cabin Park includes a vast high meadow and wetlands that provide important wildlife habitat. Congressman Hayworth's legislation authorizes the Forest Service to transfer all or a portion of the Montezuma Castle parcel to the National Park Service if deemed appropriate by the Secretaries of Interior and Agriculture. The exchange is supported by the Town of Payson, the Gila County Board of Supervisors, the Payson Regional Economic Development Group, the Rim Country Regional Chamber of Commerce, and the National Park Service.

Mr. Chairman, that concludes my testimony, with one exception. I want to once again personally thank Congressman Hayworth and you for holding this hearing and hopefully passing legislation that will ensure that highly desirable lands are secured for the public, while the interests of private individuals and the Town of Payson are served.

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