

License to Burn: Wildfire As the Ultimate Public-Private Partnership (Part Three)

 thenevadaglobe.com/articles/license-to-burn-wildfire-as-the-ultimate-public-private-partnership-part-three/

Dana Tibbitts

May 6, 2024

This is Part Three of the three-part series “License to Burn”. Part One can be found [here](#). Part Two is linked [here](#).

“Someday in the near future, fire will again be part of the landscape’s ecology, even roaming through our backyards without being a threat to our communities.” Forest Schafer, Wildfire Task Force Coordinator

The far-reaching public-private partnership arising from the historic [Agreement for Shared Stewardship](#) of California’s Forests and Rangelands presaged profound environmental and economic impacts on the Tahoe region. The expressed commitment of all parties and partners to develop “innovative markets and investment opportunities for Wood Products and Recycled Forest Byproducts” set the table for a host of new enterprise and incentives for “investment in wood processing facilities.”

Spearheading this endeavor, [The Tahoe Fund](#) (TTF) convened a carefully chosen group of sawmill project leaders, including CEO Jon Shinn and Kevin Leary, CEO of a Reno-based private investment firm, Hallador Investment Advisors. In February 2021, it commissioned a study that [examined how much supply would be available for a sawmill operation in the region](#). It cites recent funding and planning by the state of California and the United States Forest Service (USFS) to increase fuel reduction treatments such as thinning, as well as prescribed fire. “That support should help keep the supply of logs for the sawmill flowing,” said Tahoe Fund CEO Amy Berry. “Everyone has a role to play here.”

TTF has been at the forefront of forest and wildfire management projects with their [Environmental Venture Trust](#) and Smartest Forest Fund launched in 2019. They also tout this alarming “[TAHOE FUN FACT](#)” – there are more than 750,000 burn piles stashed (and growing) around the Lake, a fire hazard of astounding proportion that remains unabated after many years.

The anticipated ample supply of wood product was deemed sufficient for a new sawmill. The excitement around the investment prospects for partners in such a venture, in addition to the presumed benefit to the region, would make this a landmark achievement and business opportunity.

Accordingly, Tahoe Forest Products LLC (TFP), [registered in Nevada](#) just weeks before the Caldor fire. They quickly gained hero status for their new commercial sawmill plans to salvage, harvest and process “the pine, fir and cedar species found in our portion of the Sierra.” This sawmill is precisely the kind of investor partnership sought after by the Stewardship MOU of 2020.

All they needed was a good fire (See [Part Two](#)).

Tahoe Forest Products sawmill (Photo: Dana Tibbitts for The Nevada Globe)

The Caldor fire blaze that charred 222,000 acres created ample wood supply as salvage which sells for pennies on the dollar. Loggers linked up with sawmill leaders to launch a brand new industry hub and sawmill operation (TFP) conveniently located Carson City, NV.

[TFP investors and principals](#) include board members of UC Davis Tahoe Environmental Research Center, The Tahoe Fund, and the Parasol Tahoe Community Foundation.

[“The Missing Link: Carson City Sawmill to Offer Missing Link in Forest Health and Resilience Efforts,”](#) announced News 4.

“We are excited to make our forests and communities more fire resilient,” say [Kevin Leary](#), Chair of TFP and CEO of Hallador, also its primary investor, adding ominously, “Achieving our goal will require drastic reductions in forest density—as much as 70-80 percent in some places.”



Kevin Leary (Photo: USFS)

“The single biggest challenge to increasing the pace and scale of forest restoration work in Tahoe is the lack of a viable place to take the excess fuel in our forest,” said [John Jones](#), [Tahoe Fund board member](#) and chair of its forest health committee. “We are ecstatic and relieved to have a new sawmill just ten miles from the Tahoe Basin to help reduce the threat of catastrophic wildfire.”

Rounding out this partnership, [David Hardie](#) takes the stage. Hardie now chairs Parasol’s investment committee and is the former Chairman of Parasol and Hallador who owns nearly \$15 million in Hallador stock. His daughter, Cory Ritchie, served as Chair of The Tahoe Fund during this time.

The stakes are obviously high, even for a casino town. A quick look at the numbers is revealing.

The lumber crisis of 2020 saw [the cost of lumber in August](#) peak at over \$1,600 per 1,000 board feet. Arising from the ashes of the Caldor fire is a full-fledged lumber operation set up less than a year later and an hour east of the fire zone. TFP has said the [sawmill will process 50-60 million feet of lumber](#) per year. They’ve taken a 15-year lease, with an option for 10 more years. The going rate for lumber today is about \$600 per 1,000 ft.



Dr. Kathleen McIntyre (Photo: TRPA)

Back to essential partnerships, the Tahoe Regional Planning Agency (TRPA), the overweening bi-state entity operating under the guise of stewardship, restoration and resilience, plays a central role.

TRPA's Environmental Improvement Program Manager, Dr. Kathleen McIntyre, writes in [Seeing the Forest Fire for the Trees](#):

TRPA is expanding the use of prescribed fire and increasing investment in the local fire and forestry workforce. Examples of these can already be seen in the new sawmill in Carson City...

The agency remains sharply focused on helping improve basin-wide coordination, streamlining policies and significantly ramping up efforts to reduce forest fuels...

We have reduced forest fuels across more than 92,000 acres. Together we are more than halfway to the goal of completing an additional 22,000 acres of treatments by 2025.

Forest Schafer, Wildfire Task Force Coordinator, champion of “fire-adapted-communities” and Winner of TRPA’s Lake Spirit Award, [offered this dystopian vision](#): “Someday in the near future, fire will again be part of the landscape’s ecology, even roaming through our backyards without being a threat to our communities.”

Although these partnerships proliferate around the lake, fire chiefs of the old guard are stepping up and speaking out about the perils of “novel” and extreme USFS fire policy for future generations.

[Frank Carroll](#), a 31-year USFS career fire veteran who served as hotshot squad boss, fire management officer, public affairs officer, and command staff officer on national fire teams, warns in [Burning the West on Purpose](#):

The intentional practice of the US Forest Service created methods of starting, expanding, and steering fire operations across the Western United States kills millions of living things each year, including people, animals, birds, fish, and wildlife.

USFS intentional fire growth policies have significantly escalated since 2000 and are resulting in out-of-control giga fires. In addition to tragically wiping out wildlife communities, these set fires are killing civilians and impacting individual health and safety.

Further, these intentional fire growth policies are wiping out clean air and dangerously impacting western states water quality and clarity, including that of Lake Tahoe, of which the adverse effects are often beyond easy or probable recovery. While not all wildfires are assisted by fire agencies to the same degree, intentional USFS wildfire growth has however increasingly become the norm.

Government agencies setting intentional fires in our pristine forest lands is among the greatest tragedies and on-going threats of our time.

In 2023, the evolving and regional fire industry got a big boost from a [USFS Wood Grant program](#) offering incentives “to spark [innovation](#) and create new markets for wood products” created by a fire-fueled economy. Through this funding mechanism, more than \$2 million was quietly allocated to TFP and The Washoe Tribe in support of its new sawmill operation.

To be clear, what’s happening in Lake Tahoe is happening everywhere. The Fire/Stewardship MOU adopted by California in August 2020 has been [federalized](#) since 2022 and remains a central plank of [fire stewardship practices](#) around the world. In the USA, 50 million acres of USFS land are to be “treated” in the coming year.

Which state will be next?