



United States
Department of
Agriculture

Forest
Service

Inyo National Forest

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File Code: 5430
Date: December 16, 2004

Mr. William S. Cunningham
3875 Bunny Doon Road
Santa Cruz, CA 95060

Dear Mr. Cunningham:

By this letter, I wish to explore options for reconciling our positions regarding the value of your property in the Mono Lake Scenic Area.

As you are aware, the Forest Service is authorized to acquire private lands within the Scenic Area pursuant to section 303 of Public Law 98-425. Your property was appraised in conformity with Federal Appraisal Standards for a voluntary acquisition by the United States. This value was unacceptable to you. Subsequently, you have marketed the property for substantially more than the Forest Service approved appraised value. Your current proposal is to subdivide the property into 34 lots. This proposal is not consistent with our management and protection of the Scenic Area.

The Forest Service continues to want to acquire your property and since you continue to market the property, I assume you want to sell. The problem is reconciling our respective views on valuation. One solution that I can offer is that we jointly seek arbitration by the United States District Court through a so-called "friendly" eminent domain proceeding. In such proceedings, we would both be able to present our evidence of valuation and a court would decide the purchase price. This process provides a neutral forum and would be the fairest way to ascertain value while, at the same time, preserving the scenic and natural values of the Scenic Area.

If you respond favorably to this proposal, I would seek approval for such a proceeding from the Chief of the Forest Service, the Secretary of Agriculture, and the appropriate committees of the Congress. Approval is not guaranteed and your support of this process would be important.



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I look forward to receiving your response. Please do not hesitate to call me at (760) 873-2400 if you would like to discuss this or if you have questions.

Sincerely,

/s/Jeffrey E. Bailey
JEFFREY E. BAILEY
Forest Supervisor

cc: Mono County Board of Supervisors, Brent Handley, Regional Office, Lee Newell