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Wolf Creek development tangled with political ties

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Washington - Texas billionaire B.J. "Red" McCombs, who wants the U.S. Forest Service to let him build a huge ski village atop a southwestern Colorado pass, lobbied to get the official who oversees the agency appointed, and McCombs and his allies have since met repeatedly with the official to discuss the controversial project, records and interviews show.

McCombs and his partner pushed to have Mark Rey, a longtime timber-industry lobbyist, appointed undersecretary of agriculture, overseeing the Forest Service.

Rey said through a spokeswoman that decisions regarding McCombs' proposed \$1 billion development at the Wolf Creek Ski Area, midway between Durango and Alamosa on U.S. 160, are being handled by regional Forest Service officials in Colorado.

But documents obtained by The Denver Post show Rey has met repeatedly with key proponents of McCombs' project, and his deputy, David Tenny, has continually kept tabs on it.

McCombs' access to Rey has raised concerns at the regional Forest Service office in Lakewood, records indicate.

Rey declined to discuss the matter with The Post.

Opponents of the project also have engaged in a lobbying effort, hiring a well-connected Washington-based law firm to promote their interests.

McCombs' dealings with Rey and his deputy are one battlefield in his fight to build his village. The Texan, a longtime contributor to political campaigns at the state and national levels, also has tried to sway powerful members of Congress to his side.

"This guy's got the inside track," said Jim Lyons, who had Rey's job in the Clinton administration.

McCombs' main spokesman and development partner, Bob Honts, describes McCombs as just a frustrated developer fighting for his project.

"Is he a leading citizen? Yes, he is," Honts said in an interview. "Does he have a lot of friends because of that? Yes, he does. (But) I'm not aware that he's become a great force in politics."

An uphill battle

The small, family-owned Wolf Creek Ski Area has a handful of chair lifts and little nearby real estate development.

But McCombs proposes to build more than 2,100 housing units, enough to hold 10,500 people, plus hotels and 222,100 square feet of commercial space on a 288-acre parcel surrounded by the ski-area grounds.

The project is opposed by many local residents, environmentalists and even by the owners of the ski area, who have sued McCombs.

U.S. Rep. John Salazar, D-Colo., who represents the area in Congress, also is opposed.

Michele Ames, spokeswoman for the ski-hill owners, said their position "has been all along that they've been supportive of some kind of development. The issue has become the size of the development. ... It strikes at the lifeblood of the ski hill."

In order to build his project, known as Village at Wolf Creek, McCombs needs Forest Service permission to build a 250-foot road across federal land so visitors can reach his property from the nearby highway.

The Forest Service is scheduled to announce soon whether it will grant McCombs the access he needs for the road. The agency already has given preliminary approval.

Kingsbury "Pitch" Pitcher and his family bought the bankrupt Wolf Creek Ski Area in 1976 and have operated it as a low-key, no-frills hill. His son Davey is president of the ski hill.

McCombs acquired land surrounded by the ski area in 1986. Kingsbury Pitcher originally partnered with McCombs on a much-smaller version of his development project calling for just 200 housing units, but the family has since broken ties with the Texan. They're now in court over the breakup of their business relationship.

McCombs is a San Antonio car dealer who co-founded Clear Channel Communications, the nation's largest radio company. He's bought and sold basketball's Denver Nuggets and football's Minnesota Vikings.

He is a longtime donor to Republicans and a friend of the family of President Bush. He's given more than \$475,000 to congressional and presidential campaigns since 1989, 91 percent of it to Republicans, according to the Center for Responsive Politics.

McCombs and his associates have been pushing some version of the ski-village plan since the 1980s. When Bush took office in 2001, McCombs saw an opportunity to help get a friendly official placed over the Forest Service, which would decide his access-road request, records indicate.

According to a letter from Honts to McCombs provided by ski-area attorneys, McCombs lobbied for the appointment of Rey to the Bush administration post that controls the Forest Service.

McCombs tapped for help former U.S. Rep. Tom Loeffler, R-Texas, now a Texas lobbyist and a top fundraiser for Bush.

It's not clear whom McCombs and Loeffler approached on Rey's behalf. But after Rey was selected, Honts wrote a letter to McCombs regarding Rey's appointment.

"It is my understanding that your effort and former Congressman Leffler's efforts had an impact at exactly the right time in the process," said Honts' letter, which misspelled the representative's name, regarding the lobbying effort for Rey. "Obviously, the team effort worked."

In an interview, Honts acknowledged the lobbying campaign. He said he and McCombs backed Rey because "we were advised by people who'd been working for Village at Wolf Creek that he's a very good guy."

Maintaining contact

After Rey's appointment, Honts got access to him at key steps in the process of reviewing the Village at Wolf Creek proposal, according to Rey's calendars, obtained by The Post.

The first of three meetings was Nov. 28, 2001, about two months after Rey was sworn in. Rey's calendars show he's had several more meetings with McCombs' representatives, although records don't indicate whether the development was on the agenda.

In February 2003, Rey again met with Honts to discuss access to the site of the McCombs project. It was about two weeks after McCombs had given \$25,000 to the national Republican Party.

Also at the meeting was Honts' lobbyist, Steve Quarles, chief litigation counsel to the American Forest and Paper Association, where Rey was an executive in the early 1990s.

McCombs has paid Quarles at least \$40,000 a year, and documents indicate that Quarles supplied the language for a important Forest Service letter that defined McCombs' access to his property.

In June, Rey met once again on Wolf Creek, this time with McCombs himself. They had an hour-and-a-half "working lunch" in the secretary of agriculture's dining room.

Despite Rey's assurances that the issue is being handled completely by regional officials in Colorado, records and interviews show repeated interest by Tenny, Rey's deputy.

For example, in June 2003, records show, Tenny asked an Agriculture Department lawyer to determine what rights McCombs would have to plow a road that cuts across Wolf Creek's ski runs.

Randy Karstaedt, an official at the Forest Service's Lakewood regional headquarters, said that Tenny monitored the Wolf Creek situation closely. He said Tenny usually inquired after stories about Wolf Creek appeared in the media.

Connections questioned

Records show that McCombs' access to Rey has raised red flags for Forest Service officials in Colorado.

In August 2004, Karstaedt e-mailed a regional planner with concerns about Honts' and Quarles' demands to see early drafts of an environmental impact statement on their project before agency officials had the chance to review them.

"Mr. Quarles ... is asserting - in direct phone calls to the Under Secretary's office - that there is nothing improper nor illegal," Karstaedt wrote. But, he added, "I have ... concerns about this."

In an interview, Karstaedt acknowledged his concern with regard to the contacts with Rey's office, but he said no drafts were shared with Quarles.

"I have not had any attempt to influence our analysis," he said.

While McCombs was dealing with administration officials, he also asked for help from key members of Congress - including U.S. Rep. Tom DeLay, R- Texas, the former House majority leader accused of laundering campaign contributions.

Records obtained by The Post and other documents show that at least four times, McCombs tried to work with lawmakers from Texas, including DeLay, on passing bill amendments that would have given him an easement onto his property, bypassing Forest Service procedures. Those efforts were unsuccessful.

At one point, DeLay contacted the Forest Service about possible Wolf Creek legislation, according to Forest Service records.

When a farm subsidy bill passed without a pro-McCombs amendment in May 2002, McCombs wrote to DeLay to thank him for trying and asked a DeLay aide to try again. Five days later, McCombs contributed \$25,000 to the Republican National State Elections Committee, which helped finance DeLay's plans for a Republican takeover of the Texas statehouse. DeLay's indictment in Texas alleges that he laundered money through the committee, an arm of the national Republican Party.

For its part, the Pitcher family has paid the firm of Hogan & Hartson at least \$180,000 since October 2004 to lobby on behalf of its interests in its dispute with McCombs.

Hogan & Hartson has made campaign contributions to Rep. John Salazar and to his brother, Sen. Ken Salazar, D-Colo. According to Opensecrets.org, Hogan & Hartson is among the top 20 contributors to the brothers' campaigns.

A month before his swearing-in as senator, Ken Salazar announced that the public-comment period on the road for the Village at Wolf Creek project had been delayed at his request.

And despite an intercession on McCombs' behalf by Rep. Charlie Gonzalez, a Democrat from McCombs' hometown of San Antonio, Rep. Salazar pledged in November 2005 to fight McCombs' development.

The Forest Service decision on the access road to McCombs' village site is expected by the end of the month. The agency will release its environmental study and decision at the same time. Its preliminary decision, released for comment in 2004, was that McCombs could have the access road he wanted through the ski area parking lots but would also have to build a longer, more expensive road from U.S. 160.

The ski area's attorneys, saying they don't oppose a more modest development, say the agency refuses to take into account what dramatic change McCombs' project would cause. And they say officials are ignoring protections and limits on development that McCombs agreed to in the 1980s.

Andy Stahl, executive director of Forest Service Employees for Environmental Ethics, said the ones left out are members of the public, the ones who own the land and employ Rey.

"The public can't have lunch with Mark Rey," Stahl said. "Only Red McCombs can."

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