

## ANOTHER KIND OF GREEN

EMAILS SHOW HOW FORMER GOV. JOHN KITZHABER'S ENVIRONMENTAL PRINCIPLES AND HIS FRIENDSHIP WITH A CAMPAIGN CONTRIBUTOR COLLIDED.

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Scott Campbell operates on a Bunyanesque scale. He bought and expanded Banfield Pet Hospital, creating a chain of 750 veterinarian clinics, before selling the company in 2007. The Southeast Portland resident then turned his energy to his ranch near John Day—all 140,000 acres of it.

Campbell has had grand plans for Silvies Valley Ranch. For more than a decade, he's been building artificial beaver dams and other water diversions to restore natural habitat and boost hay production. He's imported South African Boer goats, a hardy breed that mows down invasive plants and barbecues up nicely.

The high-desert ranch has a 6,000-foot runway, making it the best place in Grant County (pop. 7,283) to land a private plane. Campbell is building a resort—his plans call for 575 units—and developing a 36-hole, eco-friendly golf course.

But records show, in his desire to bring economic development to what he calls "Frontier Oregon," Campbell has skirted state environmental regulations.

His water diversion projects blocked passage of endangered redband trout, and at least one building project's septic systems fell afoul of Oregon Department of Environmental Quality rules.

Campbell's aggressive approach to regulations proved no barrier to a warm friendship with then-Gov. John Kitzhaber, a politician whose environmental views were a pillar of his 35-year political career. That career ended with his Feb. 18 resignation amid growing allegations of influence peddling and conflicts of interest involving him and former first lady Cylvia Hayes.

Kitzhaber's emails provide a glimpse of his friendship with Campbell, a big campaign contributor. The emails—from the accounts that Kitzhaber's office sought to delete from state servers Feb. 5—show how the governor tried to balance running the

state while also running for re-election. Kitzhaber did not respond to questions for this story.

Last year, Campbell proposed hosting a "Frontier Oregon Summit" at his ranch to promote economic development in Eastern Oregon. The event fell in the middle of Kitzhaber's campaign for his fourth and final term. When Campbell emailed him about his idea, Kitzhaber responded with enthusiasm.

"Your invite list is excellent," Kitzhaber wrote to Campbell on June 8, 2014. "If you want me to co-sign a letter to the list I would be glad to do so."

Kitzhaber's environmental staff was far less enthusiastic about the prospect of the governor headlining an event that would bring dozens of business and political leaders to Silvies Valley Ranch.

"Governor: I am going to be very direct," Richard Whitman, Kitzhaber's natural resources adviser, wrote June 20, 2014. "There are some serious problems with how Silvies Ranch has carried out its work."

Last year, Kitzhaber, a Democrat, generated an unusual level of support from business and timber interests that historically support Republicans.

His appearance at Campbell's Frontier Oregon Summit would highlight his commitment to one of his top priorities, creating jobs in rural Oregon.

With his ambitious plans for Silvies Valley Ranch, Campbell gave Kitzhaber the opportunity for a perfect campaign event.

Campbell had already established himself as one of Kitzhaber's top individual contributors, giving him \$20,000 for his 2010 campaign for governor. Campbell's name wasn't on the checks. Instead, he used two of his companies to direct the cash.

When the 2011 Oregon Legislature opened, Campbell sought a controversial bill that benefited just one party: his Silvies Valley Ranch.

In most cases, ranch land is zoned so it's limited largely to agricultural use. But state Rep. Brian Clem (D-Salem) pushed House Bill 3465 to allow Campbell to develop his massive resort despite land-use rules that would have stopped him.

Opponents saw the bill as an end-run around Oregon's land-use laws. "This was a one-off deal that benefits one party," says Stephen Kafoury, a lobbyist for the Ameri-



**ANIMAL MAN:** Scott Campbell made a fortune from the Banfield Pet Hospital. His latest venture is Hannah the Pet Society, which provides pets, food and veterinary care for a monthly fee.

can Planning Association.

Kitzhaber expressed concerns about measures that provide special deals—and then signed the bill into law anyway.

Campbell gave Kitzhaber another \$21,000 in 2012, this time writing checks in his own name, and followed in May 2014 with \$25,500 more. As he did in 2010, Campbell channeled the 2014 donations through his companies.

Campbell says he made no attempt to disguise his donations but simply wrote checks from company accounts rather than his personal checkbook. "Anyone can find out who owns any company in Oregon," he says.

In June 2014, Campbell sent an email to Kitzhaber's personal account about his plan for a Frontier Oregon Summit.

Campbell wanted the summit to advocate less government red tape, especially for rural businesses.

"State agencies must adopt a culture of helping to make things happen, instead of allowing things to happen only if they can't be stopped by a regulation," Campbell wrote in a June 8, 2014, memo to Kitzhaber under the heading "Expected Outcomes from the Summit."

"Laws must be enacted to allow ecological enhancement to happen quickly

and without costly, unnecessary permitting requirements."

Emails show Kitzhaber asked Campbell to add a name to the list of speakers: first lady Cylvia Hayes. "Cylvia has been working on the poverty issue for the past three years and might have something valuable to contribute," Kitzhaber wrote June 8, 2014.

Campbell revised his agenda but ignored Kitzhaber's request. Hayes wasn't happy.

"I'd like to actually make some comments during our day one wrap up session rather than just being introduced," she wrote to Kitzhaber on June 19, 2014. "I'd like to introduce the concept of economic reinvention and give a couple brief examples of rural communities that are doing it."

Kitzhaber circulated Campbell's agenda. Whitman, Kitzhaber's natural resources adviser, voiced objections. Whitman had been in close touch with state regulatory agencies, and became concerned at what he learned about Silvies Valley Ranch.

The message from Whitman was particularly candid compared to other emails Kitzhaber received from his staff.

"[Silvies Valley Ranch has] carried out

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