

PORTLAND, OREGON

## Sen. Johnson makes a fast \$119,000

**Land sale** | The Scappoose legislator wrote a bill helpful to the buyer; she calls failure to disclose deal a "mistake"

By **BRENT WALTH**  
and **HARRY ESTEVE**  
THE OREGONIAN

In late 2004, state Sen. Betsy Johnson bought 36 acres of farmland for \$635,000 in her hometown of Scappoose next to the airport.

Three months later, she sold the land to a developer for a \$119,000 profit.



**Johnson**  
Reported the deal after talking to paper

aviation business.  
Johnson, D-Scappoose, failed to

And within weeks, Johnson introduced a bill in the Legislature to promote special airport access for private landowners — something the developer needed to turn the land into an industrial park catering to the

disclose her ownership and sale of the 36 acres at the time, as state law requires. The Oregonian on Wednesday questioned Johnson about the deal, and she acknowledged that she should have listed the property on her state ethics forms.

"I readily admit I made a mistake," Johnson said in an interview at the Capitol. "I am culpable."

Johnson reported the deal to the Oregon Government Standards and Practices Commission after being interviewed by the newspaper.

The commission probably will Please see **LAND SALE**, Page A4



DANA E. OLSEN/THE OREGONIAN

The Aero Business Center will take shape in this area near the airport in Scappoose. Sen. Betsy Johnson, D-Scappoose, purchased the land in 2004 for \$635,425, then sold it to a developer for \$754,950 three months later. She didn't report the land ownership to the state ethics commission as required by law.

### Land sale: Sen. Johnson's bill is called 'bad policy'

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review Johnson's failure to disclose her interest in the property. If an investigation shows she broke the law, she faces a fine.

Her admission comes at a time when Oregon lawmakers are under increasing scrutiny for ethical lapses. The state ethics commission fined several legislators this year after they failed to report lobby-paid trips to Hawaii.

Johnson said there was nothing improper about the land sale. She said she was merely the link between the landowners and the developer who is now building an industrial park on the land.

Johnson and her husband, John Helm, sold the 36-acre site to Sierra Pacific Communities, a company owned by developer Ed Freeman.

Freeman said his Aero Business Center needs direct access to the Scappoose airport's runways. But he and Johnson now say his center would have gained that access with or without Johnson's bill.

Johnson's husband also received special access to Scappoose airport. The business-

Transwestern Aviation, held a "through the fence" permit that allows airplanes to cross back and forth from his property to the airport.

The airport is owned and run by the Port of St. Helens. The port's executive director at the time of the land sale, Peter K. Williamson, said he saw conflicts with Johnson's bill.

"I believe that Betsy knew her bill would have directly helped both her husband and Ed Freeman," Williamson said.

Williamson said, however, he was unaware at the time that Johnson had profited from the real estate deal involving Freeman.

The Scappoose Industrial Airpark is still largely bordered by farmland that has been eyed by developers for years. One long-time airport neighbor was Stanley Wagner, who owned hundreds of acres around the airport.

Wagner's wife, Florence, said her husband sold the property to Helm and Johnson because the senator was a longtime friend.

"Stan didn't want to sell to a developer," Florence Wagner said. "Stan wouldn't deal with anyone else but Betsy."

Johnson, in an interview, said she entered the deal to encourage development around the airport, which would benefit the Scappoose economy.

"I provided the link between the Wagner and Sierra Pacific," she said.

Columbia County records show that Johnson and her hus-

band bought the site for \$635,425 in October 2004.

Helm said that he and Johnson had reached a deal to sell the land to Freeman for his industrial park in January 2005. The sale price: \$754,950.

That's a \$119,525 profit in three months.

Before the deal closed, Johnson in February 2005 introduced SB680, which would have required the state Department of Aviation to promote "through the fence" access at Scappoose and five other rural airports.

Such access allows neighboring landowners to move airplanes through the security fence at the airport at will, but it also creates security concerns within the Federal Aviation Administration.

"The bill was bad policy because it gave special access to public airports just because a private landowner happened to sit next door," said Ann Crook, airport director of the Klamath Falls Airport. "It's something that other states are avoiding because of security concerns, and it was just stupid to have the state of Oregon to promote the idea."

But the bill's supporters saw it as a chance to encourage development around rural airports, such as the Aurora airport.

The Scappoose airport already allowed for such access to the company owned by Johnson's husband. But the port's then executive director, Williamson, said he and the staff at the Port of St. Helens had talked at expanding "through the

fence" access and considered recommending that the permit held by Johnson's husband expire.

Johnson's bill was amended to make the program voluntary and a specific reference to the Scappoose airport was deleted. Instead, the bill named the Aurora airport and two other rural airports to be named later. Scappoose was eventually chosen as one of those airports. When the bill passed, Johnson declared a conflict of interest on the Senate floor and voted for it.

Port staff said the access permit for the company run by Johnson's husband had been scheduled to expire in 2006 but is now in the process of being renewed. In July 2006, the Port of St. Helens granted a "through the fence" permit to one of the companies that will locate in Freeman's business park.

In the past two years, Johnson said, she has helped Freeman buy an additional 280 acres from Wagner. She said she wasn't paid for her efforts.

Florence Wagner said that she and her husband were unaware that Johnson had made so much money so quickly on the original tract.

"I expect that anyone who gets in real estate is trying to do that, to make a good profit," Florence Wagner said.

Researchers Margie Cultry and Lynne Pabonho contributed to this report.

Brent Walth at 503-294-5072;

brentwalth@news.oregonian.com;

Harry Estevé at 503-221-8226;

harryestev@news.oregonian.com