

July 8, 2005

MS ELAINE BRONG, STATE DIRECTOR
BUREAU OF LAND MANAGEMENT
OREGON STATE OFFICE
PO BOX 2965
PORTLAND OR 97208

Re: Oregon In Lieu Land Selections

Dear Ms. Brong:

The purpose of this letter is to clarify and confirm the state's final selections for in-lieu lands. Four parcels are located in Douglas County and three within central Oregon, for a total of 5431.64 acres.

In order of priority, the state's final in-lieu property selections are as follows:

Douglas County: These four parcels are forestlands located in northern Douglas County within the BLM's Roseburg District. We are working with the district office to determine value of the parcels.

Cline Buttes, Z-3 Zoned Property: Property with Z-3 classification. These properties are located adjacent to private lands on the west side of Cline Buttes. The adjacent private land is currently zoned for destination resort development. The landowner has submitted an application with Deschutes County for development of a destination resort that includes these properties.

South Redmond Tract: Selection of this parcel is due to partnership interest between DSL, Deschutes County and City of Redmond for expansion and development of Deschutes County fairground. This property is identified for community expansion. Light commercial development as well as projects specific to aid fairground expansion needs are being considered for this property.

Deschutes Market Road Tract: The majority of this property has residential development at its borders. The parcel is situated within a fast paced growth area (path of progress) between the cities of Bend and Redmond. Since the Deschutes Market Road tract is situated within this path of progress, development of this site will result in a significant return to the Common School Fund.

Cline Buttes Property: As identified in 1) above, development of a destination resort is currently being proposed for these properties by an interested developer. Development of

this land into a destination resort is speculative, yet would provide a significant return to the Common School Trust Fund.

My staff and I look forward to working with the BLM as we move forward in this process.

If you have questions regarding these property selections, please contact me at (503) 378-3805, extension 279 or Nancy Pustis at (541) 388-6112, extension 226.

Sincerely,

Stephen J. Purchase
Assistant Director
Field Operations

c: Ann Hanus, Director
Nancy Pustis, Eastern Region Manager

Enclosures: Maps
Property Legal Descriptions