



# Council of Forest Trust Land Counties

STATE FORESTER'S ANNUAL REPORT  
FOR THE  
ASSOCIATION OF OREGON COUNTIES



NOVEMBER 2010



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# Introduction



As directed by Oregon statute, the Oregon Department of Forestry (ODF) manages about 698,000 acres of state forestlands to secure the greatest permanent value (GPV) by providing healthy, productive and sustainable forest ecosystems, that over time and across the landscape provide a full range of social, economic, and environmental benefits to the people of Oregon.

The lands are actively managed in a sound environmental manner to provide sustainable timber harvest and revenues to the state, counties, and local taxing districts. This management focus is pursued within a broader management context that provides for other forest resources, including properly functioning aquatic habitats for salmonids, wildlife habitats, water quality, and recreation.

Most Board of Forestry (BOF) land was originally acquired by the counties through foreclosure of tax liens. The 2010 state forest acquisition, the 43,000-acre Gilchrist State Forest, was acquired with the aid of lottery bonds dedicated to economic development purposes.

Under county ownership, the lands provided revenue to the counties. Oregon law has maintained this revenue source by allowing ownership to be conveyed to the state “in consideration of the payment to such county of the percentage of revenue derived from such lands.”

This report highlights essential management activities and issues for BOF lands during Fiscal Year (FY) 2010 (July 1, 2009 through June 30, 2010).

FY 2010 was a year of high highs and low lows. It also saw an adjustment in management for many of these lands, as well as a review of the rules that define GPV.

In many ways, the highlight of the year was the purchase of the Gilchrist State Forest. Located in northern Klamath County, these lands were for sale and at risk of parcelization and development.



With the purchase in March, 2010, they are expected to provide sustainable timber jobs, keep wildlife habitat intact, and secure public access to recreation opportunities. In time, this forest will provide a steady stream of revenue to Klamath County. The Forest Trust Land Advisory Committee (FTLAC) and Klamath County worked with ODF throughout the acquisition process.

The low part of the year was the state of the economy and the resulting impact on county and state revenues. As detailed in this report, overall county distributions were flat compared to last year; however this reflects a high volume removal combined with lower average timber values. In response to realized and pending lower revenues, ODF undertook the following actions in FY 2010:

- Budget reductions of approximately 25 percent, \$6.4 million dollars, from an already-reduced FY 2009 budget. This included reducing full-time staff positions by approximately 50, 40 of which resulted in layoffs. Investments in reforestation, research and monitoring, forest inventory, recreation and education, and other areas were reduced.
- A focus on revenue-producing activities, including restructuring timber sales to focus on revenue to the extent possible, within the approved forest management plans.



*Photo: Oregon Department of Forestry*

**Santiam State Forest**

In 2010 there was an adjustment in the Northwest and Southwest Oregon State Forest Management Plans. These plans, approved in 2001, anticipated high levels of harvest, as well as directing between 40 and 60 percent of the landscape towards old forest types. The original plans also directed the adoption of a Habitat Conservation Plan

for compliance with the Federal Endangered Species Act.

In April of 2010, the BOF approved a revision that changed the



percent of habitat directed towards older forest types to 30 to 50 percent of the forest and removed the direction to obtain the Habitat Conservation Plan. The new plan is expected to provide less older forest habitat and less volume and revenue than the 2001 plan aspired to, however it is built on better data and believed to be achievable.

These changes are being built into agency processes and are expected to go into effect in some areas in FY 2012 and in FY 2013 in the remaining areas. The BOF also directed ODF to undertake a science review of the changes. This is currently under way and the results of this review will also be built into any changes in forest management.

Further details about FY 2010 are found in this report. If you have questions about any of the details or suggestions for the report, please contact Nancy Hirsch, State Forests Division Chief, at (503) 945-7204, [nhirsch@odf.state.or.us](mailto:nhirsch@odf.state.or.us); Mike Cafferata, Deputy Chief, State Forests Division, at (503) 945-7351, [mcafferata@odf.state.or.us](mailto:mcafferata@odf.state.or.us); or a member of the FTLAC.



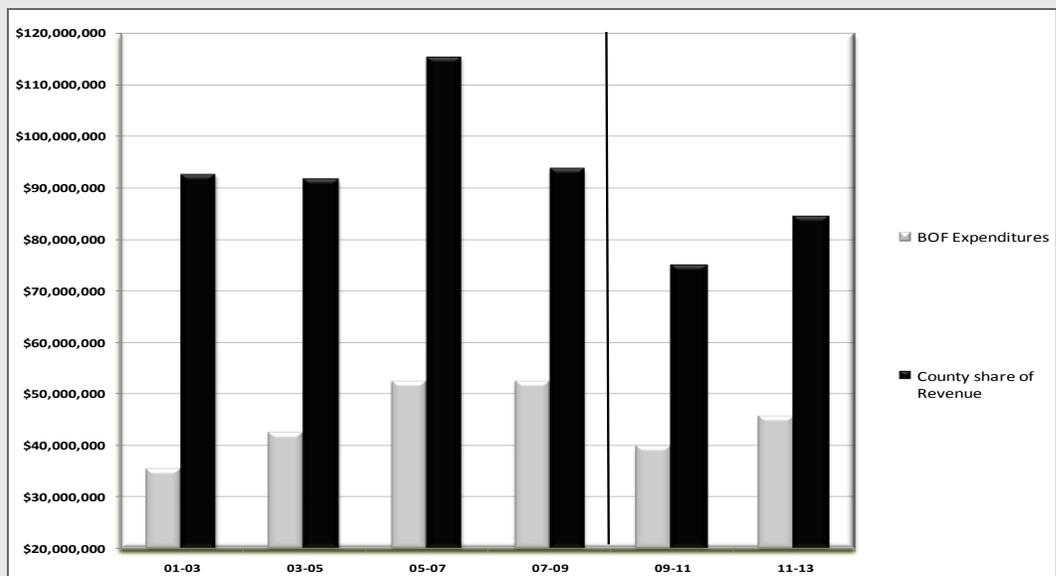


# Financial Management

This report is intended to focus on FY 2010. However, in the business of forest management, it is important to analyze trends in revenue and expenditures over several years, because the timing of harvest and other factors can cause any one year to be above or below average.

ODF provides the FTLAC with ongoing status reports related to revenue projections and proposed ODF budgets for the future biennium. Figure 1 illustrates information from the past four biennia. The information for the 2009-11 biennium includes actual figures for FY 2010 and projected estimates for FY 2011. ODF manages the BOF lands from the share of revenue deposited in the ODF Forest Development Fund (FDF).

**Figure 1. Biennia Revenue and Expenditures  
2001–2003 through 2011–2013**



BOF Expenditures numbers do not include revenue transfers discussed later in this report. Projected revenue is taken from the July 2010 revenue projection; projected expenditures and budget dollars are taken from FY 2011 budget amounts.



## Timber Harvest from Board of Forestry Lands

About 268.1 million board feet (MMBF) was harvested from BOF Lands in FY 2010. This is a five percent increase over the five-year average of 256.2 MMBF and a thirteen percent increase over the FY 2009 volume of 236.9 MMBF. Table 1 displays the volume removed by county during fiscal years 2008, 2009, and 2010.

Variation in year-to-year represents choices of timber purchasers based on their own constraints, as well as state choices about how much timber to offer during any given year.

**Table 1. Total Volume of Timber Harvest from Board of Forestry Lands by County Fiscal Years 2008–2010**

<b>Total Volume MBF (thousand board feet)</b>			
<b>County</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Benton	1,134	5,412	2,920
Clackamas	2,049	0	2,603
Clatsop	87,619	105,266	82,590
Columbia	6,846	1,002	7,982
Coos	2,803	1,962	1,566
Douglas	2,980	2,607	1,369
Josephine	259	390	489
Klamath	7,947	6,855	8,745
Lane	6,839	7,057	6,618
Lincoln	5,431	4,914	6,158
Linn	10,169	8,032	16,492
Marion	5,612	6,635	5,583
Polk	917	0	628
Tillamook	69,256	69,979	80,689
Washington	26,718	16,801	43,708
<b>TOTAL:</b>	<b>236,578</b>	<b>236,912</b>	<b>268,142</b>



## County Revenues from Timber Sales

The county share of revenues from timber harvest for fiscal years 2008, 2009, and 2010 with five- and 10-year averages are shown in Table 2. County revenues during FY 2010 were approximately \$42.6 million. The average amount of revenue distributed to the counties over the last 10 fiscal years was \$47.5 million. Revenues are distributed to counties each quarter.

Reduced revenues are a result of lower revenues from timber removed, although high removals helped offset low timber values.

**Table 2. County Share of Revenue from Board of Forestry Lands  
Fiscal Years 2008–2010**

<b>County</b>	<b>2008<sup>1</sup></b>	<b>2009<sup>1</sup></b>	<b>2010<sup>2</sup></b>	<b>5-Year Average</b>	<b>10-Year Average</b>
Benton	\$55,626	\$1,120,464	\$513,271	\$1,061,219	\$1,182,650
Clackamas	\$274,962	\$421	\$290,744	\$304,016	\$457,400
Clatsop	\$17,946,402	\$16,344,910	\$11,653,697	\$16,664,011	\$16,948,232
Columbia	\$2,185,611	\$375,044	\$1,165,418	\$1,139,064	\$1,027,313
Coos	\$752,990	\$248,306	\$284,541	\$443,384	\$319,265
Douglas	\$1,243,976	\$540,037	\$257,936	\$544,504	\$376,665
Josephine	\$64	\$14,597	\$51,694	\$16,056	\$21,315
Klamath	\$1,336,459	\$1,245,889	\$1,832,680	\$1,283,834	\$1,374,344
Lane	\$1,349,267	\$1,793,781	\$1,512,805	\$1,515,344	\$1,503,181
Lincoln	\$824,781	\$1,034,619	\$735,406	\$926,806	\$946,737
Linn	\$2,298,915	\$2,058,517	\$3,622,834	\$2,723,080	\$3,409,569
Marion	\$1,560,998	\$1,785,519	\$1,139,362	\$2,536,219	\$1,797,908
Polk	\$145,056	\$77,085	\$757	\$129,322	\$219,513
Tillamook	\$13,459,129	\$11,508,426	\$10,901,019	\$13,747,328	\$11,837,558
Washington	\$7,749,425	\$4,325,251	\$8,609,998	\$7,272,248	\$6,092,151
<b>TOTALS:</b>	<b>\$51,183,661</b>	<b>\$42,472,866</b>	<b>\$42,572,163</b>	<b>\$50,306,436</b>	<b>\$47,513,801</b>

The data for county share of revenue is taken from the State Financial Management Application.

<sup>1</sup>FY 2008 and FY 2009 includes capital improvement project work credits.

<sup>2</sup>FY 2010 includes: a \$246,376 Office of Emergency Management storm damage transfer, \$26,850 transferred as part of a House Bill, and a one-time distribution to the Tillamook Forest Center of \$85,163 on April 15, 2010



# Legislative Capital Improvement Funding

Legislation approved in 2007 provided \$6.4 million for capital improvements related to timber sale project costs. These projects include road and bridge building. This package was a one-time resource to offset project costs on ODF timber sales.

Counties share in the costs of these projects and, in this case, shared in the additional funding. The same distribution formula for determining the counties' share of timber revenue (about two-thirds) was used to establish the distribution of this funding. It resulted in revenue distributions to counties of approximately \$4.1 million. ODF used its share (roughly one-third, at \$2.3 million) to pay its share of the project costs.



*Photo: Oregon Department of Forestry*

**A load of logs from a northwest Oregon state forest**

Future timber sale project costs will return to the standard practice of being included in the timber sale contract, an expense shared by both the counties and ODF prior to revenue distribution. After capital improvements are completed and purchasers have been credited for the expense, the remaining revenue is distributed—following the approximately two-thirds formula—to counties.

In the case of the additional funding, a fair and equitable distribution of the funds to individual counties was determined by analyzing project work by county over a five year period.

Over 99 percent of the authorized revenue has been distributed to counties. The remaining one percent will be distributed as additional capital improvement project work is completed.

Table 3 shows the distribution of this revenue to date.



**Table 3. Legislative Capital Improvement Funding  
Effective June 30, 2010**

<b>County</b>	<b>Percent<sup>1</sup></b>	<b>Total (\$)</b>	<b>County Share (\$)</b>	<b>Total (\$) Distributed to County to Date</b>	<b>Percent Distributed to County to Date</b>	<b>Total (\$) Remaining to Distribute to County</b>
Clatsop	32.62%	\$2,087,797	\$1,330,971	\$1,330,971	100%	\$0
Columbia	0.93%	\$59,783	\$38,112	\$38,112	100%	\$0
Tillamook	39.78%	\$2,546,173	\$1,623,185	\$1,623,185	100%	\$0
Washington	9.69%	\$619,983	\$395,239	\$395,239	100%	\$0
Linn	4.12%	\$263,617	\$168,056	\$168,056	100%	\$0
Marion	1.56%	\$100,143	\$63,841	\$63,841	100%	\$0
Clackamas	0.54%	\$34,367	\$21,909	\$21,909	100%	\$0
Lincoln	3.07%	\$196,433	\$125,226	\$125,226	100%	\$0
Polk	1.09%	\$69,773	\$44,480	\$17,147	39%	\$27,333
Benton	1.17%	\$74,945	\$47,777	\$47,777	100%	\$0
Lane	3.53%	\$226,017	\$144,086	\$144,086	100%	\$0
Coos	0.42%	\$26,855	\$17,120	\$17,120	100%	\$0
Douglas	0.45%	\$28,598	\$18,231	\$18,231	100%	\$0
Josephine	0.19%	\$11,937	\$7,610	\$7,610	100%	\$0
Klamath	0.84%	\$53,579	\$34,157	\$34,157	100%	\$0
<b>TOTALS:</b>	<b>100.00%</b>	<b>\$6,400,000</b>	<b>\$4,080,000</b>	<b>\$4,052,667</b>	<b>99%</b>	<b>\$27,333</b>

<sup>1</sup>Percentage was calculated based on the five-year average of project work value by county (FY 2003—2007)

## Actual Revenues and ODF Management Costs

Actual gross revenues for FY 2010 totaled \$67.5 million, a slight decline from \$66.8 million in FY 2009 (Table 4). Actual gross revenues have averaged 79.9 million over the past 10 years.



**Table 4. Actual Gross Revenue and Expenditures  
Fiscal Years 2001–2010**

FDF Revenue Dollars		ODF FDF Expenditures				Revenue Transfers	
Fiscal Year	Actual Net Revenue <sup>1</sup>	Personal Services	Services and Supplies	Capital Outlay	FDF Expenditure Total	C.C., COPs, Seed Orchard, Admin Prorate <sup>2, 3,4</sup>	Total Cost
2010	\$67,495,743	\$12,383,081	\$6,158,326	\$92,452	\$18,633,859	\$5,466,278	\$24,100,137
2009	\$66,805,762	\$15,447,222	\$9,519,971	\$10,647	\$24,977,840	\$6,708,876	\$31,686,716
2008	\$80,880,274	\$15,544,239	\$12,041,755	\$183,887	\$27,769,881	\$4,024,263	\$31,794,144
2007	\$91,035,628	\$14,664,974	\$13,523,541	\$98,113	\$28,286,629	(\$5,178,510)	\$23,108,119
2006	\$93,135,149	\$13,529,064	\$10,915,862	\$243,984	\$24,688,910	\$5,607,473	\$30,296,383
2005	\$77,202,726	\$13,376,102	\$9,628,632	\$138,624	\$23,143,358	\$21,713,270	\$44,856,628
2004	\$75,588,318	\$11,777,213	\$7,273,545	\$199,663	\$19,250,421	\$2,194,087	\$21,444,508
2003	\$72,590,895	\$11,395,363	\$7,130,232	\$417,631	\$18,943,227	\$3,065,141	\$22,008,368
2002	\$69,114,134	\$10,686,593	\$5,695,832	\$708,570	\$17,090,994	\$3,990,047	\$21,081,041
2001	\$66,647,019	\$10,046,233	\$6,053,184	\$269,558	\$16,368,975	\$2,689,368	\$19,058,343

<sup>1</sup> Actual Net Revenue includes revenues from negotiated sales, rights-of-way, permits, etc., in addition to timber sales minus project work. This amount is Gross Revenue minus Project Work Credits.

<sup>2</sup> 2005 HB 2148 transferred \$10 million out of the FDF into the General Fund and \$3.9 million to Oregon Parks and Recreation Department, \$991,000 for Public Employees Retirement System gap, and \$4.8 million for the Tillamook Forest Center that was not reported the previous fiscal year.

<sup>3</sup> This revenue transfer includes the \$10 million that was transferred out of the General Fund to the FDF in January 2007 and the \$821,971 that was transferred to the FDF from the Federal Emergency Management Agency (FEMA) to reimburse ODF for FEMA-qualifying projects resulting from Winter 2006 storm damage.

<sup>4</sup> A transfer to the Facilities, Maintenance, and Development Account in the amount of \$925,000 was made in June 2007 and is included in the expenditures for Fiscal Year 2007, along with storm damage repairs.

Data Source: State Financial Management Application.



## Fiscal Year 2010 Costs

Total expenditures in FY 2010 were \$18.6 million related directly to operational budget units that manage BOF lands. The budget units include Salem's State Forests Division staff, three regional areas, and nine districts. The responsibilities of these units include timber sale contract development and compliance, reforestation and intensive management activities; Endangered Species Act (ESA) compliance, recreation, interpretation and education, research and monitoring, forest planning, and overall program management. This was a \$6.4 million reduction from FY 2009 expenditures of \$25 million and represents a 25.6 percent spending decrease.

Expenditures referred to as "Revenue Transfers" are net revenue transfers in and out of the fund and equaled approximately \$5.4 million for FY 2010, a reduction of \$1.3 million (19.4 percent) from FY 2009. The transfers out include: a portion of overall agency administration; capital improvement projects; debt service on Certificates of Participation (COPs) for capital construction projects, fire protection costs, and seed orchard management.

It is ODF's goal to ensure that allocation of agency administrative costs accurately reflects the work performed by administrative and managerial staff, and that each program pays their appropriate share of administrative costs. The administrative funds support the following services:

- Human Resources (Personnel, Labor Relations, Safety, and Training);
- Financial Services (accounting and reporting services);
- Internal Auditing, Quality Control, and Risk Management;
- Information Technology support and infrastructure to ODF staff and field offices;
- Oversight and management of Facilities, Property Control, and Procurement activities (contracting and physical assets);
- Payroll administration;
- Biennial Budget development and implementation;
- Agency Affairs (public information, education, and legislative coordination);
- Resource analysis and technical studies;
- The ODF share of State of Oregon central government service charges; and
- Executive-level policy and administrative oversight (State Land Board, BOF), Executive Team, and Administrative Services Program Directors).



The administrative charges for FY 2010 were \$3.9 million, a decline of \$0.4 million from FY 2009 (9.3 percent). The appropriate administrative cost distribution is calculated from work studies performed each biennium by ODF. The work studies in the different administrative areas represent the percentage of time a specific service area (e.g., Human Resources) performs work for the benefit of an operating program (e.g., management of BOF Lands). Charges for FY 2010 are based on the 2009-2011 biennial work study.

Seed orchard costs for FY 2010 were \$224,184. These funds were used to produce genetically improved seed (superior growth characteristics as identified through traditional breeding and selection methods) appropriate for state forestlands.

The Certificates of Participation (COP) interest and principal allocation funds debt service for capital construction on the Salem headquarters buildings, and totaled \$405,412 in FY 2010.

The ODF Protection from Fire costs were \$1,312,077 for FY 2010. The remaining revenue transfers included charges for residual equity of \$6,485 (i.e. additional vehicle or vehicle upgrades.)



*Photo: Oregon Department of Forestry*

**A landing for a timber sale on the Tillamook State Forest**



## Historical Timber Harvests

Timber harvest volume is volume removed during the FY 2010 period. In FY 2010, total timber harvested from BOF lands was approximately 286.1 MMBF. This is a 20.8 percent increase from the 236.9 MMBF removed in FY2009 and a 15.5 percent increase over the ten-year average of 247.7 MMBF. The value of timber removed during FY 2010 was \$62.8 million, a 7.1 percent decrease from FY 2009 and a 23.3 percent decrease from the ten-year average. The harvest value, volume, and stumpage prices of sold sales for the previous 10 years are shown in Table 5, along with a five- and ten-year average.

**Table 5. Historical Timber Harvest Value, Volume, and Stumpage Price  
Fiscal Years 2001–2010**

<b>Fiscal Year</b>	<b>Gross Timber Sale Value Removed (BOF)<sup>1</sup></b>	<b>BOF Timber Harvest Volume (MBF)</b>	<b>Average Timber Sale Sold Stumpage Price (BOF)<sup>2</sup></b>
2010	\$62,821,428	286,142	\$257
2009	\$67,642,199	236,914	\$211
2008	\$84,619,195	236,578	\$250
2007	\$98,287,294	244,398	\$348
2006	\$103,150,843	276,908	\$365
2005	\$89,542,266	281,655	\$361
2004	\$81,104,304	239,386	\$277
2003	\$86,875,185	253,532	\$284
2002	\$79,544,382	228,326	\$306
2001	\$65,489,876	193,069	\$208
<b>Last 5-Year Average</b>	\$83,304,192	256,188	\$294
<b>10-Year Average</b>	\$81,907,697	247,691	\$290

<sup>1</sup> Includes county and ODF shares, project work, and forest rehabilitation payments.

<sup>2</sup> Average timber sale stumpage price is gross timber sale value minus project work. This is a change from past reports where stumpage value included project work costs. Stumpage price shown is an average and includes all species.



## Forest Rehabilitation Repayment Status

The Forest Rehabilitation Fund was created by the 1949 Oregon Legislature “to rehabilitate, reforest and develop state-owned forest lands so as to secure the highest permanent usefulness to the whole people of the State of Oregon.” The State paid for the bonds to establish this fund, and the State is being repaid by the counties from timber harvest revenues. The current repayment status—unchanged from last year—is shown by county in Table 6.

**Table 6. Balances for Rehabilitation Payback Per County Effective June 30, 2010**

<b>County</b>	<b>Obligation</b>	<b>Sum of Payments</b>	<b>Balance</b>
Josephine	\$29,903	\$0	\$29,903
<b>Total</b>	<b>\$29,903</b>	<b>\$0</b>	<b>\$29,903</b>

## County Revenue Projection

In recent years, the State Forests Division has provided a revenue projection to the Association of Oregon Counties twice a year. ODF continues to improve the revenue projection process in an effort to provide more accurate estimates for internal information and to the Association of Oregon Counties.

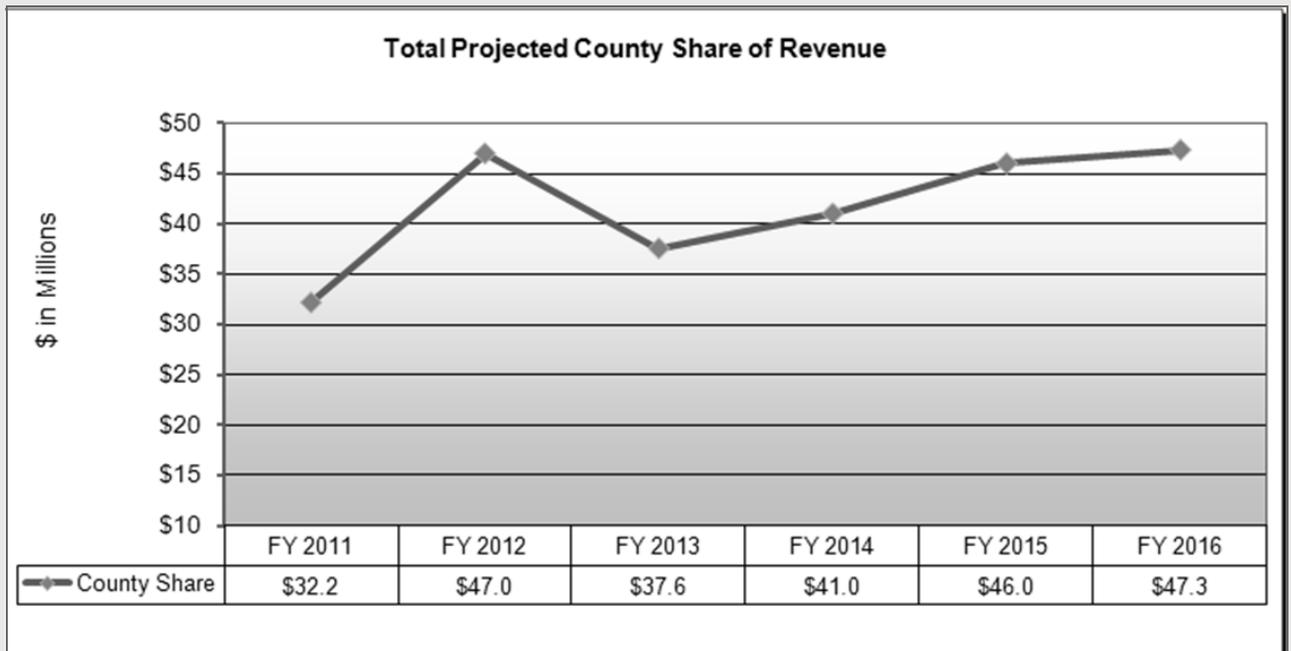
Figure 2 and Table 7 represent the July 2010 revenue projection produced by the State Forests Division staff. It is important to keep in mind the current uncertainties in the forestry sector and the timing surrounding the predicted recovery of the log market. The further into the future the forecast, the more uncertainty associated with the revenues.



This projection includes estimated revenues from both sold and planned timber sales. Housing-start data was used to forecast the revenue included in the “future category” of the projection. ODF assumes that stumpage prices will recover at the same rate as projected housing starts.

These projections are estimates only. Assumptions were made on the timing of revenues based on local knowledge from ODF district personnel. Actual revenues will depend on actual versus assumed timing of revenue and actual versus estimated volumes. Market factors or changes in federal or state regulatory requirements would significantly alter the above projections.

**Figure 2: July 2010 Total County Share Revenue Projection  
Fiscal Years 2011–2016**



## Long-Term Market Trends

*The projection of the long-term market trends is based on data from IHS Global Insight Inc., Random Lengths, and interviews of analysts knowledgeable about Oregon’s forest products industry.*



**Table 7. July 2010 County Share Revenue Projection by County  
Fiscal Years 2011–2016**

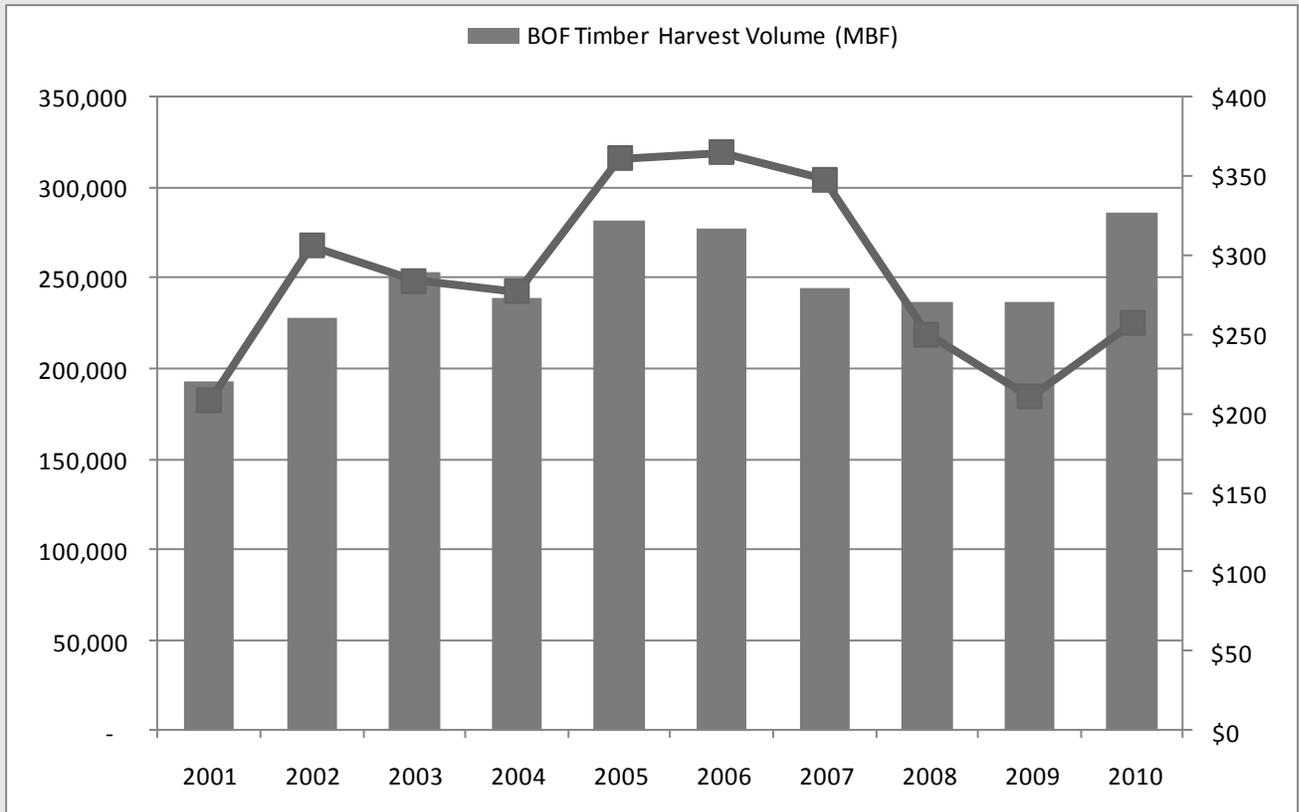
<b>County</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Benton	\$307,000	\$308,000	\$524,000	\$366,000	\$421,000	\$431,000
Clackamas	\$472,000	\$1,897,000	\$271,000	\$221,000	\$255,000	\$261,000
Clatsop	\$11,440,000	\$12,283,000	\$10,875,000	\$14,471,000	\$16,170,000	\$16,683,000
Columbia	\$129,000	\$55,000	\$152,000	\$273,000	\$321,000	\$332,000
Coos	\$364,000	\$70,000	\$985,000	\$1,115,000	\$746,000	\$792,000
Douglas	\$109,000	\$245,000	\$306,000	\$247,000	\$312,000	\$329,000
Josephine	\$ -	\$8,000	\$22,000	\$40,000	\$48,000	\$50,000
Klamath	\$537,000	\$628,000	\$986,000	\$1,300,000	\$1,222,000	\$1,099,000
Lane	\$1,393,000	\$3,415,000	\$1,623,000	\$1,305,000	\$1,488,000	\$1,511,000
Lincoln	\$450,000	\$1,130,000	\$770,000	\$792,000	\$913,000	\$933,000
Linn	\$1,421,000	\$1,770,000	\$926,000	\$1,644,000	\$1,898,000	\$1,941,000
Marion	\$1,414,000	\$2,267,000	\$769,000	\$1,296,000	\$1,496,000	\$1,530,000
Polk	\$40,000	\$73,000	\$255,000	\$61,000	\$70,000	\$72,000
Tillamook	\$9,800,000	\$13,591,000	\$12,758,000	\$12,337,000	\$14,307,000	\$14,829,000
Washington	\$4,361,000	\$9,247,000	\$6,294,000	\$5,379,000	\$6,331,000	\$6,544,000
<b>Total</b>	<b>\$32,237,000</b>	<b>\$46,987,000</b>	<b>\$37,516,000</b>	<b>\$40,847,000</b>	<b>\$45,998,000</b>	<b>\$47,337,000</b>

The primary product marketed by ODF from BOF lands is sawmill grade logs. These logs from State Forests are processed predominantly into dimension lumber and plywood for the housing market.

Accordingly, the Department’s market trends are largely influenced by the amount of new home construction and home remodeling, the level of non-housing construction, mortgage interest rates, and competition from alternative suppliers of logs and saw-timber. Collapsing house prices and construction and a deep recession have soured markets for primary forest products and, consequently, timber marketed by ODF. Market conditions improved in the spring of 2010, but the outlook has again darkened as U.S. economic growth slowed



**Figure 3: Timber Volume Removed and Stumpage Prices from Board of Forestry Lands Fiscal Years 2001–2010**



and expectations are that housing recovery will be slower than previously forecasted, and log prices likely weaker.

Following the greatest economic downturn since the Great Depression, a recovery in U.S. economic growth, housing starts, and wood products markets was projected in 2010. The recovery has been subdued by historical standards. According to the most recent IHS Global Insight forecast, “The economy has lost momentum. Growth should downshift to around 2.5% in the second half of the year. GDP growth averages 3.1% in 2010, but slows to 2.7% in 2011.” In spite of record low mortgage rates, currently averaging about 4.5 percent for 30-year fixed-rate mortgages, the outlook for housing has soured. Global Insight sharply reduced their 2011 housing starts forecast from 1.16 million to .96 million units and has delayed the expected recovery to historical levels to 2013. Some analysts consider Global Insight to be overly optimistic. Figure 3 shows the deterioration of the housing start outlook since August 2009.

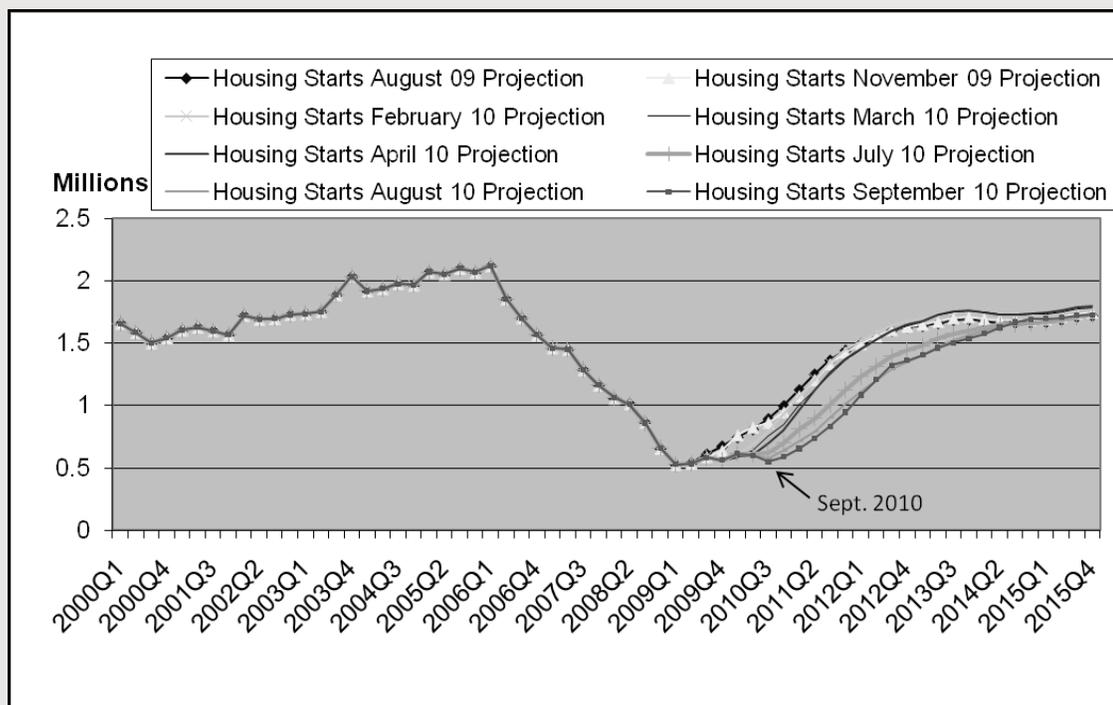


The Oregon Timber Harvest Reports show that that all ODF-managed forests harvest levels declined approximately 16 percent in 2009 from 2008 levels—from 278,069 MBF to 234,520 MBF. However, as shown in Table 5, the average stumpage price on BOF lands has slightly increased from FY 2009 to FY 2010, rising from \$211 to \$257.per MBF. Table 5 and Figure 3 display historical value, volume, and average stumpage price for Fiscal Years 2001 through 2010 on BOF lands.

Demand for logs and stumpage harvested from Oregon’s forests are highly correlated with national housing starts and will not significantly improve until there is a turnaround in housing start levels. When the current economic downturn eases, excesses in the housing market will be worked off and housing-related industries should begin to recover, albeit slowly. The collapse in housing starts and prices should begin cutting into over laden housing inventories, but this will take time. In the long term, effects of the recent recession are expected to ease but mortgage rates are expected to increase. Housing starts have fallen from 2 million several years ago to .554 million in 2009 and are slowly beginning to rebound.

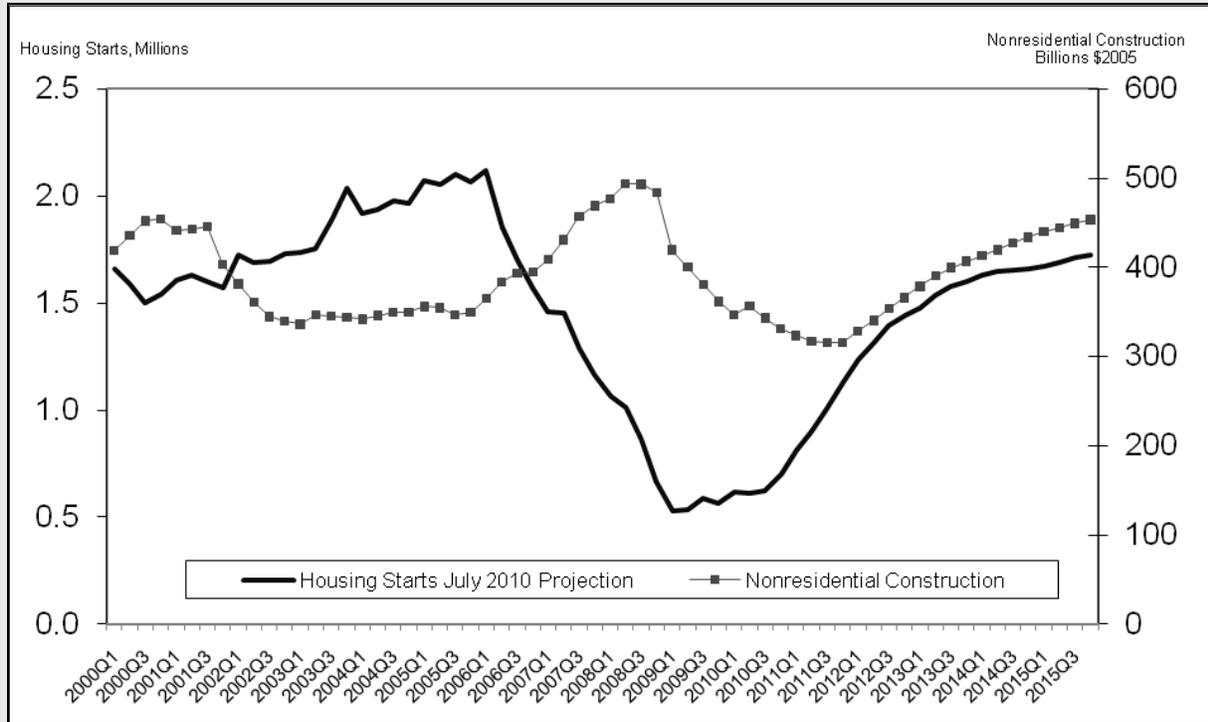
As shown in Figure 4, housing starts are now forecasted to have hit

**Figure 4. Historical and Projected U.S. Housing Starts 2000–2015**



bottom in the second quarter of 2009 at a historically low level of .54 million annual starts. These levels are expected to increase in 2010 to .59 million starts and gradually increase thereafter, reaching 1.48 units in 2013. Housing starts are expected to return to the 1.6-1.7 million level, sustainable based on personal income and demographics, by 2014. Demand for lumber and wood products has been held back by falling levels of nonresidential construction, which will continue to decline even as a recovery in housing starts begins (Figure 5).

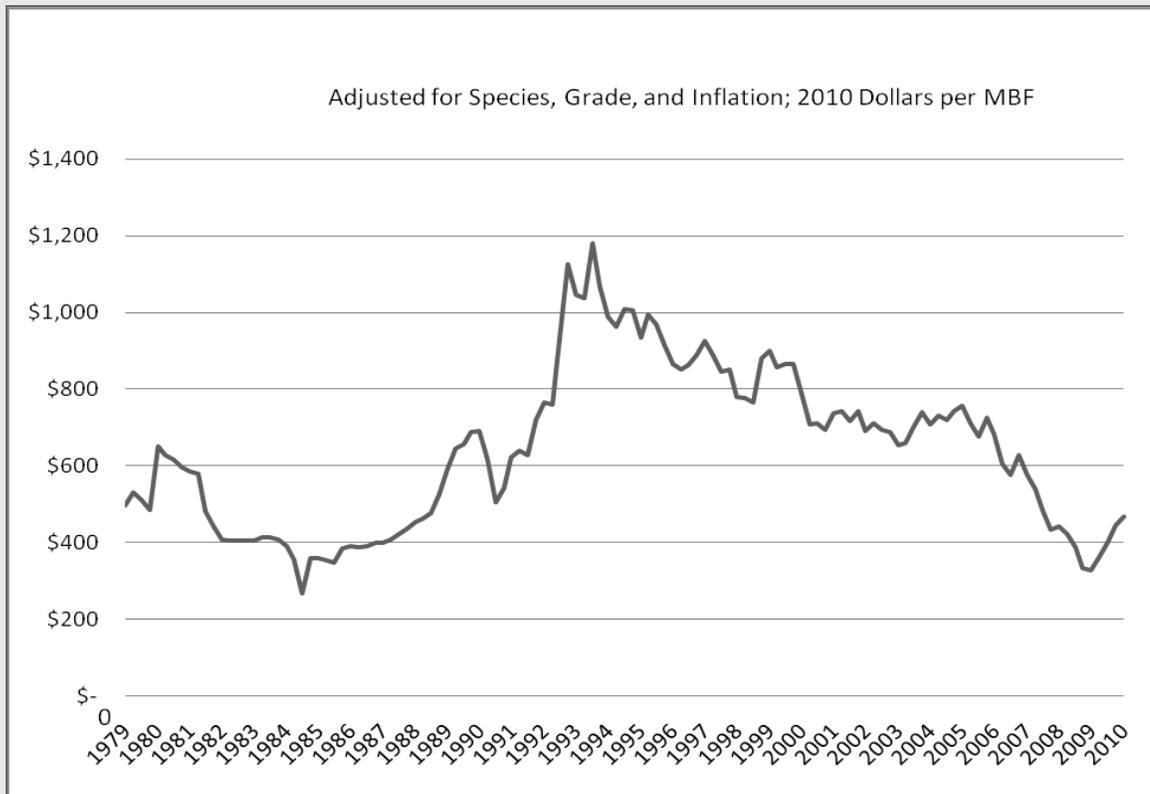
**Figure 5. Historical and Forecasted U.S. Housing Starts and Nonresidential Construction Spending 2000–2015**



The long-term outlook for single-family housing is good. Lower house prices and record low mortgage rates mean much better affordability. With housing starts much lower than would be expected given population demographics, housing is likely to recover strongly once excess inventory is worked off and the U.S. economy gains momentum. The multi-family housing market remains slow but are off their lows, and there is some improvement in residential demand. Nonresidential construction could take years to recover and the



**Figure 6. Western Oregon Log Price Index  
1979–2010**



remodeling market has retreated with limited credit lines and weakening consumer and builder confidence.

Along with housing starts, lumber and plywood prices had declined dramatically but then rebounded. As shown in Figure 6, log prices rebounded with increasing forest product prices and an overly optimistic housing start forecast. Forest product prices have recently fallen to approach recent 2009 lows. Recent indications are that log prices are beginning to retreat again and it is unlikely that substantial increases in log prices can be expected until there are indications that recovery of the housing market is eminent.

Bright spots for timber-related industries are rare but could include that regional chip prices have remained relatively strong. With decreased lumber production has come a scarcity of chips and stable prices and chipping of smaller and low-quality logs that would have otherwise gone to lumber production. Although a relatively small segment of Oregon's timber harvests go overseas, export prices to



Japan are relatively strong giving a needed boost to demand for timber. Pole prices remain strong, although markets can be hard to find.

Low levels of housing starts and anemic economic growth are expected to result in continuing downward pressure on lumber and plywood prices, with recovery in lumber, plywood, and log prices tied to an economic turnaround, an improving job market, and a significant recovery in housing starts. Recovery in demand for logs may be delayed if economic growth continues to stall and could fall further if credit constraints prevent the economy from expanding and if labor market improvement halts.



Photo: [www.morguefile.com](http://www.morguefile.com)

**Residential construction**



# Forest Management and Planning



## Northwest and Southwest Oregon State Forests

*About 633,800 acres of land are managed under the Northwest Oregon and Southwest Oregon State Forests Management plans. Ninety-six percent of these acres are Board of Forestry lands. The remaining four percent are Common School Forest Lands.*

### Revision of Forest Management Plans

The BOF and State Land Board (SLB) approved revisions to the 2001 Northwest (NW) and Southwest (SW) Oregon State Forest Management Plans (FMPs) and adopted the plans in rule on April 22, 2010 after a 43-day public comment period. The revised FMPs continue sustainable forest management, while providing a blended mix of benefits across environmental, social, and economic areas. The revision involves reducing the long-term goal for developing older forests in the NW FMP, while allowing for greater economic returns through timber harvest. The NW FMP long-term goal for older forest types moved from 40—60 percent of the landscape to 30—50 percent, with 20 percent of the acreage of these older forest types expected to be developed within 20 years.

The revised 2010 FMPs replace the proposed Western Oregon State Forests Habitat Conservation Plan with strategies for species of concern (SOC),

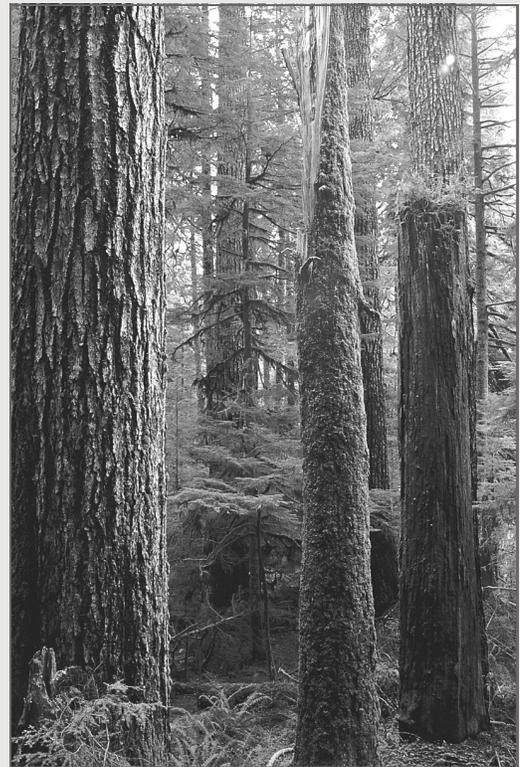


Photo: Oregon Department of Forestry

**Older forest structure**



consistent with BOF performance measures. In cooperation with the Oregon Department of Fish and Wildlife, SOC strategies address fish and wildlife species that have been identified as being at risk.

The BOF requested a review of ODF's analyses evaluating the FMP changes. The Institute of Natural Resources will complete the science review in November 2010. The SLB directed ODF to manage the Common School Forest Lands (CSFL) contingent upon two actions: first, that ODF provide results of the review to the BOF and SLB prior to implementing changes; and, second, that the BOF make or direct any necessary changes based upon the review.

## **Greatest Permanent Value and Forest Management Planning Rules**

For much of 2010, the BOF worked on a review of the GPV and forest planning rules. This review was started by the BOF in June of 2009 after reviewing expected outputs from various forest management planning options. This review is expected to be complete in FY 2011 or 2012.

## **Board of Forestry Performance Measures**

In FY 2010, the BOF continued the use of performance measures to measure outputs from the FMPs. In January 2010, the BOF made incremental improvements. See the performance measure reports available at:

[www.oregon.gov/ODF/PUBS/publications.shtml#Program\\_Reports](http://www.oregon.gov/ODF/PUBS/publications.shtml#Program_Reports)

## **Revised District Implementation Plans**

District Implementation Plans (IPs) will be revised to incorporate new information and adjust the operating levels to align with the performance measures and specific targets for the north coast districts. The first on-the-ground effects of the revised plans for the north coast districts would likely be seen in the 2012 Annual Operations Plan (AOP) period and for the other districts by the 2013 AOP period.

IPs describe the management approaches and activities each district will pursue in order to carry out the NW and SW FMPs. They provide the objectives for the AOPs plans, and they link the goals and strategies found in the long-range FMPs to the annual plans.



Preliminary work for revising the IPs for North Cascade, West Oregon, Western Lane, and Southwest Oregon districts has begun. The harvest models, spatial data, and yield tables have been updated in preparation for this revision. This information will be used to analyze the effect of the SOC strategies on these districts prior to revising their IPs. It is anticipated that the revisions to the IPs for these four districts will be completed in 2011 and implemented with the 2013 AOPs.

## **Annual Operations Plans and Budget Summary—FY 2011**

AOPs link operational planning and accountability to ODF plans, policies, goals, and budgets, at the individual district level. The AOPs provide information for fiscal budget development and revenue projections, and may need to be adjusted throughout the process based on revenue projections.

AOPs address the following issues requiring significant commitment of personnel or funds:

- timber sales;
- habitat management;
- young stand management;
- recreation projects;
- road construction and maintenance; and
- monitoring efforts and other activities.

Annually, drafts of AOP components undergo significant review by ODF, Oregon Department of Fish and Wildlife (ODFW), and U.S. Fish and Wildlife Service (USFWS) staff, supporting advisory committees, and the public. Once the review period has ended, district foresters consider input received from all of these sources before their final approval. District foresters also approve modifications resulting from new information, changes in budget levels, or unforeseen circumstances.

The approved 2011 AOPs propose harvest operations of 202.5 MMBF, with a projected net value of \$46.5 million on BOF lands. A summary of the 2011 AOPs is provided by county in Table 8, and by district in Table 9.

The State Forests Division's Fiscal 2011 Budget is shown in Table 10.



**Table 8. Board of Forestry Lands Statewide Annual Operations Plan Summary by County  
Fiscal Year 2011**

<b>County</b>	<b>Clear-Cut Acres</b>	<b>Partial Cut Acres</b>	<b>Total Acres</b>	<b>Total Volume (MMBF)</b>	<b>Gross Value (MM\$)</b>	<b>Project Value (MM\$)</b>	<b>Net Value (MM\$)</b>
Benton	56	0	56	2.0	\$0.5	\$0.0	\$0.5
Clatsop	1,130	1,623	2,753	60.0	\$14.7	\$1.5	\$13.3
Coos	139	0	139	4.4	\$1.7	\$0.1	\$1.7
Douglas	33	170	203	0.9	\$0.3	\$0.0	\$0.3
Klamath	0	670	670	3.1	\$0.4	\$0.0	\$0.4
Lane	202	80	282	7.0	\$1.4	\$0.2	\$1.2
Lincoln	25	404	429	4.3	\$0.7	\$0.1	\$0.6
Linn	150	0	150	3.7	\$0.9	\$0.0	\$0.9
Marion	0	257	257	3.6	\$0.9	\$0.0	\$0.9
Polk	31	0	31	1.4	\$0.4	\$0.0	\$0.3
Tillamook	2,521	2,037	4,558	73.8	\$14.7	\$0.9	\$13.8
Washington	713	216	929	31.0	\$11.2	\$0.2	\$11.0
Clackamas	87	319	406	7.3	\$1.8	\$0.0	\$1.8
<b>TOTAL:</b>	<b>5,087</b>	<b>5,776</b>	<b>10,863</b>	<b>202.5</b>	<b>\$49.6</b>	<b>\$3.1</b>	<b>\$46.5</b>

**Table 9. Board of Forestry Lands Statewide Annual Operations Plan Summary by District  
Fiscal Year 2011**

<b>District</b>	<b>Clear-Cut Acres</b>	<b>Partial Cut Acres</b>	<b>Total Acres</b>	<b>Total Volume MMBF</b>	<b>Gross Value MM\$</b>	<b>Project Value MM\$</b>	<b>Net Value MM\$</b>
Astoria	1,130	1,623	2,753	60.0	\$14.7	\$1.5	\$13.3
Coos	139	0	139	4.4	\$1.7	\$0.1	\$1.7
Forest Grove	1,243	960	2,203	57.6	\$21.0	\$0.5	\$20.4
Klamath-Lake	0	670	670	3.1	\$0.4	\$0.0	\$0.4
North Cascade	237	576	813	14.6	\$3.6	\$0.0	\$3.5
Southwest Oregon	33	170	203	0.9	\$0.3	\$0.0	\$0.3
Tillamook	1,991	1,293	3,284	47.2	\$4.9	\$0.6	\$4.3
Western Lane	202	80	282	7.0	\$1.4	\$0.2	\$1.2
West Oregon	112	404	516	7.7	\$1.6	\$0.1	\$1.4
<b>TOTAL:</b>	<b>5,087</b>	<b>5,776</b>	<b>10,863</b>	<b>202.5</b>	<b>\$49.6</b>	<b>\$3.1</b>	<b>\$46.5</b>



**Table 10. State Forests Fiscal Year 2011 Budget—Board of Forestry Lands**

<b>Budget Unit</b>	<b>Personal Services</b>	<b>Services and Supplies</b>	<b>Capital Outlay</b>	<b>Capital Improvement/ Capital Construction</b>	<b>Total</b>	<b>Reimbursables</b>	<b>Net Total</b>
<b>SALEM TOTAL:</b>	<b>\$2,113,467</b>	<b>\$1,959,220</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,072,687</b>	<b>\$0</b>	<b>\$4,072,687</b>
<b>NWOA Office</b>	\$384,211	\$106,299	\$0	\$0	\$490,510	\$0	\$490,510
<b>Astoria</b>	\$2,045,525	\$1,359,122	\$0	\$0	\$3,404,647	(\$95,062)	\$3,309,585
<b>South Fork</b>	\$1,388,463	\$633,030	\$6,000	\$65,000	\$2,092,493	(\$586,953)	\$1,505,540
<b>Forest Grove</b>	\$2,074,272	\$998,289	\$0	\$0	\$3,072,561	(\$92,850)	\$2,979,711
<b>North Cascade</b>	\$716,855	\$430,949	\$0	\$0	\$1,147,804	\$0	\$1,147,804
<b>Tillamook</b>	\$2,354,860	\$1,279,365	\$0	\$0	\$3,634,225	\$0	\$3,634,225
<b>Tillamook Forest Center</b>	\$485,331	\$236,475	\$0	\$0	\$721,806	(\$90,000)	\$631,806
<b>West Oregon</b>	\$554,650	\$226,982	\$0	\$0	\$781,632	\$0	\$781,632
<b>NWOA TOTAL:</b>	<b>\$10,004,167</b>	<b>\$5,270,511</b>	<b>\$6,000</b>	<b>\$97,000</b>	<b>\$15,377,678</b>	<b>(\$864,865)</b>	<b>\$14,512,813</b>
<b>SOA Office</b>	\$39,219	\$6,259	\$0	\$0	\$45,478	\$0	\$45,478
<b>Coos</b>	\$163,515	\$105,672	\$5,007	\$10,500	\$284,694	\$0	\$284,694
<b>Southwest Oregon</b>	\$131,301	\$72,264	\$0	\$0	\$203,565	\$0	\$203,565
<b>Western Lane</b>	\$328,551	\$161,859	\$0	\$0	\$490,410	\$0	\$490,410
<b>SOA TOTAL:</b>	<b>\$662,586</b>	<b>\$346,054</b>	<b>\$5,007</b>	<b>\$10,500</b>	<b>\$1,024,147</b>	<b>\$0</b>	<b>\$1,024,147</b>
<b>EOA Office</b>	\$17,443	\$38,011	\$0	\$0	\$55,454	\$0	\$55,454
<b>Klamath-Lake</b>	\$441,469	\$166,701	\$0	\$0	\$608,170	\$0	\$608,170
<b>EOA TOTAL:</b>	<b>\$458,912</b>	<b>\$204,712</b>	<b>\$0</b>	<b>\$0</b>	<b>\$663,624</b>	<b>\$0</b>	<b>\$663,624</b>
<b>TOTAL FY 2011:</b>	<b>\$13,239,132</b>	<b>\$7,780,497</b>	<b>\$11,007</b>	<b>\$107,500</b>	<b>\$21,138,136</b>	<b>(\$864,865)</b>	<b>\$20,273,271</b>

Personal Services includes employee salary and benefits; Services and Supplies includes professional and service contracts, vehicles, training, etc.; Reimbursable Costs - dollars expected from grants and shared-cost agreements





## Public Involvement

The State Forests Division continues to proactively involve the public in the successful implementation of its FMPs, recreation plans, land exchanges, and other activities. In addition to the public comment period on AOPs, the division uses a standing advisory committee, the Northwest State Forests Advisory Committee (SFAC). This committee works with district staff on issues associated with implementing the NW FMP. The committee is comprised of members that are representative of a diversity of interests. The SFAC meets at least twice yearly to engage in ongoing discussions regarding operational activities or issues. There are additional committees that advise district staff on important recreation issues and activities.

### Public Input During Fiscal Year 2010

#### **Annual Operations Planning**

Each year, the public is invited to comment on the AOPs for the nine districts with state-managed forestlands. A district AOP includes a summary report and details related to proposed on-the-ground operations, such as timber sales, road building, reforestation, stream enhancement projects, and trail building.

After public comments have been considered and any changes made, district foresters approve the AOPs for their districts by June 30. AOPs are available at each district office, area ODF offices, and Salem headquarters. The plans are also posted on the agency's external web site.

The public involvement process provides an opportunity for ODF





*Photo: Oregon Department of Forestry*

### **Recreation on a northwest Oregon state forest**

districts to share their annual plans, and provide opportunities for the public to ask questions and offer comments on the planned activities on state forestlands. Written comments providing the most useful suggestions focus on one or more of the following:

- enhancing the consistency of an annual plan with the respective FMP;
- improving the clarity of an annual plan;
- providing new information that affects an annual plan (such as a location of a domestic water source or cultural resource site); or
- improving the efficiency and effectiveness of an annual plan or planned operation.

The 45-day comment period for the FY 2011 AOPs was held from March 29 to May 11, 2010. This same comment period also was used to review revisions to the IPs for the Tillamook and Clatsop state forests. Public meetings also were held in Tillamook, Forest Grove and Astoria to discuss the revisions to the IPs and receive public comments.

### **Gilchrist Tract Acquisition**

Additional public involvement was sought in FY 2010 regarding the proposed acquisition of the Gilchrist Tract in northern Klamath County to become Oregon's first new state forest property since 1948. ODF conducted a public hearing regarding the acquisition in





Photo: Oregon Department of Forestry

### **Gilchrist State Forest**

Klamath Falls during December 2009 to accept public comment. Written public comments were accepted until January 19, 2010. The land acquisition was approved by the Oregon Board of Forestry in February 2010.

### **Land Exchanges**

Public input was also sought on two proposed land exchanges in early 2010.

### **Land Exchange with Starker Forests**

A land exchange between ODF and Starker Forests, Incorporated, affecting BOF and CSFL forestlands in Benton, Lincoln, and Polk counties was made available for public review, and public hearings on the proposed exchange were held during April 2010 in Newport, Corvallis, and Dallas, with written public comments accepted until May 24, 2010. The land exchange was ratified by each

county's Board of Commissioners for the three counties in June 2010, with approval of the proposal by the BOF and the SLB scheduled for the fall of 2010.

### **City of Cannon Beach**

In ODF's Astoria District, a land exchange was negotiated between the City of Cannon Beach and BOF lands within Clatsop County. A public hearing was held during May 2010 in Astoria and written public comments on the proposal were accepted until June 4, 2010. The land exchange was ratified by the Clatsop County Board of Commissioners in June 2010, with BOF approval of the proposal scheduled for fall of 2010.



# Key Projects



## Acquisition of the Gilchrist State Forest

In February, the BOF approved purchasing 43,000 acres of central Oregon forestland to create the first new state forest in approximately 70 years. The Gilchrist State Forest was dedicated in June 2010.

The Conservation Fund, a non-profit organization, plans to purchase an additional 25,000 acres immediately to the east; with that acreage being held until a future state purchase is possible. The entire 68,000 acres will remain in forest use, providing a range of benefits for future generations—especially important as Oregon faces permanent loss of forestland to development and other uses.

The purchase was financed with \$15 million in bonds approved by the 2009 legislature, with support from Gov. Ted Kulongoski. The bonds will be repaid over 20 years with proceeds from the Oregon Lottery.

The state purchased the property from Fidelity National Timber Resources, Inc., which



Photo: Oregon Department of Forestry

**A layered stand in the Elliott State Forest**





*Photo: Oregon Department of Forestry*

### **Gilchrist State Forest**

acquired it in 2006 from Crown Pacific. The property is part of larger holdings that were owned by the Gilchrist Timber Company for most of the 20<sup>th</sup> century.

The community of Gilchrist was a “company town,” the site of the company mill and home to many of its workers. The Gilchrist family sold the property

and mill in 1991 to Crown Pacific, which liquidated the forest to pay debt and eventually entered bankruptcy in 2003. The land was restocked as required by Oregon’s Forest Practices Act, and is now stocked with trees about 20 years old.

It will be several decades before the forest will be able to provide significant timber sale revenue to Klamath County. Eventually, revenue also may come from “carbon credits,” paid to forest owners for their value in absorbing gasses associated with global climate change.

ODF’s early interest in acquiring these lands grew out of the initial concern that they would be lost as working forests. As privately owned lands, these central Oregon forests were at risk of being fragmented into many smaller parcels.

Population growth, changing real estate values, and contraction of the conventional timber industry, particularly east of the Cascades, have produced increasing incentives for owners of large working forests to divide and sell them.

When large blocks of forestland are fragmented into smaller ownerships, especially when low-density homes are introduced, major challenges emerge, and forest values are lost. There is more potential for human-caused fires, compounded by more costly and complex fire protection challenges. It is also less likely that the land



will be managed for forest values. Public access is lost and wildlife habitat is fragmented.

Acquiring the Gilchrist State Forest represented creativity and hard work from many people and organizations, and was ultimately successful because of a shared vision for keeping forestland as forestland. Conversion of forests to other uses is shaping up to be one of the defining issues of our times.

Just as the Tillamook, Clatsop and Sun Pass state forests—once cut-over and burned—are being restored as healthy, sustainable, working forests, the Gilchrist State Forest has enormous potential. The forest management approach on the newly-acquired lands will be much like the Sun Pass State Forest, located about 50 miles south. At Sun Pass, sustainable forest management involves taking some younger trees, some middle-aged trees, and some older trees. It leaves enough of each age class so the stand can continue to grow into another harvestable unit in a few decades, providing for a full range of forest values, and producing about \$1 million annually for Klamath County.

Maps and more information about the Gilchrist State Forest are available online at:

[www.oregon.gov/ODF/STATE\\_FORESTS/gilchrist.shtml](http://www.oregon.gov/ODF/STATE_FORESTS/gilchrist.shtml).

## Stand Level Inventory

The Stand Level Inventory (SLI) is a forest inventory developed by ODF, and is used on the entirety of ownerships managed by the State Forests Division. Field measured sampling occurs in a carefully selected representative portion of inventory stands. These inventory cruise stand results are used to extrapolate inventory information in a supervised way to stands which do not have field-measured data. This provides site-specific information on trees, downed wood, and non-tree vegetation (herbs-shrubs-grasses) in the cruised stands, statistically derived information about all stands for forest modeling purposes, and the ability to aggregate the information to report district-and state-wide inventory totals for state forestlands.



Statewide, as of the end of June 2010, there are 13,549 SLI stands, 5,253 of which (38.8 percent) have field-based measurements. Stands are delineated along differences in general timber characteristics—boundaries are drawn to group together areas with similar tree species, size and stocking. SLI boundaries often coincide with administrative boundaries, but individual stands may include more



*Photo: Oregon Department of Forestry*

**A complex, layered forest stand**

than one land ownership category such as BOF and CSFL. Inventory reporting specific to ownership category is facilitated by integration of the SLI data with ownership information from GIS. Table 11 shows the total number of stands by ODF District, the number and percentage of stands with field-based measurements, the number of stands having one or more acre of BOF lands, and the number of stands having one or more acre of CSFL.

Forest stands undergo continuous change over time due to timber growth, mortality, and harvest. The long-term goal for SLI is to maintain at least 50 percent of all stands with recent (with respect to change factors) field measured cruise information. In the past, ODF has conducted annual inventory cruising projects in order to acquire and maintain the needed measurements. During the

period from July 2009 through June 2010, budget limitations resulted in the cancelation of an existing inventory contract and precluded any State Forests-funded new data acquisition projects. However, the Division did apply for and receive American Recovery and Reinvestment Act grant funding for a combined SLI and Swiss Needle Cast Assessment project for the Tillamook District. As part of work to assess forest health, the project includes work to measure and assess 147 forest stands comprising 10,498 acres that are of particular interest due to their susceptibility to, and impacts from, Swiss Needle Cast disease. The work on the personal service contract, valued at approximately \$100,000, began in February 2010 and will conclude in March 2011.



**Table 11. Stand Level Inventory Status of All Ownership Classes  
Effective: June 2010**

<b>District</b>	<b>Total Stands</b>	<b>Measured Stands</b>	<b>Measured Stands (Percent)</b>	<b>BOF</b>	<b>CSFL</b>
Astoria	1,654	791	48	1,635	65
Forest Grove	1,285	768	60	1,278	23
Tillamook	5,753	947	17	5,642	194
West Oregon	969	449	46	812	296
North Cascade	762	365	48	747	32
Western Lane	377	203	54	350	13
Southwest Oregon	310	171	55	175	135
Coos	2,138	1,335	62	287	1,995
Klamath-Lake	301	224	74	220	81
<b>Total:</b>	<b>13,549</b>	<b>5,253</b>	<b>38.8</b>	<b>11,146</b>	<b>2,834</b>

## Stand Level Inventory Timber Volume Estimate

Table 12 shows the SLI-based estimate of merchantable net board foot volume by species for BOF lands as of June 30, 2010. The acres information is net of area in roads—other non-forested acres are not removed, but the volume estimate does reflect the effect of low or non-stocked areas outside of roads.

SLI data is updated annually, typically just prior to the end of June each year – in time for using the updated data for this report. Staffing reductions and workload reorganization combined this year to impact completion of the update work. The following is a synopsis of the update status and basis by District for the SLI-based timber inventory estimates in Table 12.



**Table 12. Timber Inventory Estimate for State Forests Board of Forestry Lands Effective: June 30, 2010**

<b>Total Net Scribner Board Foot Volumes (MBF)</b>											
<b>District</b>	<b>Acres</b>	<b>Douglas-fir</b>	<b>Cedar</b>	<b>True Fir</b>	<b>Hemlock</b>	<b>Pine</b>	<b>Spruce</b>	<b>Alder</b>	<b>Other</b>	<b>Total</b>	<b>Average MBF/Acre</b>
Astoria	131,294	2,246,636	27,008	44,204	883,759	296	122,838	480,644	47,755	3,853,140	29.3
Coos	8,812	179,133	3,595	29	24,627	0	298	23,589	8,870	240,141	27.3
Forest Grove	111,362	2,392,803	18,681	33,598	155,316	148	1,930	185,372	37,114	2,824,962	25.4
Klamath-Lake	27	7,932	2,440	60,746	0	202,482	0	2,092	506	276,197	10.2
North Cascade	45,448	856,923	19,300	29,340	132,638	120	0	26,123	18,015	1,082,458	23.8
Southwest Oregon	9,042	127,132	5,506	6,780	2,486	3,110	0	564	18,848	164,427	18.2
Tillamook	240,104	2,554,132	42,813	30,999	825,232	200	195,732	1,178,972	59,446	4,887,525	20.4
Western Lane	23,893	611,656	4,738	201	48,948	0	0	55,325	51,695	772,563	32.3
West Oregon	28,681	470,847	2,936	576	9,189	59	367	57,015	15,867	556,856	19.4
<b>Total:</b>	<b>625,695</b>	<b>9,447,194</b>	<b>127,016</b>	<b>206,474</b>	<b>2,082,195</b>	<b>206,414</b>	<b>321,164</b>	<b>2,009,696</b>	<b>258,116</b>	<b>14,658,270</b>	<b>23.4</b>



- **Astoria.** This year's update begun but not completed in time for this report; some GIS boundary information updated and used for this report; timber inventory information for this report obtained by growing last year's data forward using the inventory growth model; no operations updates (harvest, pre-commercial thinning, tree planting, etc.) included for the year.
- **Tillamook.** Most recent update completed in July 2008; timber inventory information for this report obtained by growing the most recent data forward using the inventory growth model; operations updates (harvest, pre-commercial thinning, tree planting, etc.) included for the period through June 2008 only.
- **Klamath-Lake.** This year's update not completed; last year's data grown forward and used for this report; no operations updates included for this year.
- **Forest Grove.** This year's update nearly completed; some temporary data placeholders used to allow use of this year's data for the reporting; updates for all recent operations completed.
- **Coos, North Cascade, Southwest Oregon, Western Lane, and West Oregon.** This year's updates completed; updates for all recent operations completed.





# Tillamook Forest Center

## Summary Information

### Introduction

The Tillamook Forest Center experienced a highly productive and successful year in 2010 and received many compliments from teachers and visitors. Center accomplishments were especially notable considering the reductions in budget and staff which were required by the Center (and all state agencies) due to the nation-wide economic downturn. In spite of these reductions, staff members at the Center remained focused on providing enjoyable experiences in safe, clean facilities, where visitors could enjoy and learn about the



*Photo: Oregon Department of Forestry*

**Visitors to the Tillamook Forest Center**



value of forests in their lives.

## **Budget Reductions Affect Center Operations**

The Center's fiscal budget of \$684,606 was a drop from the 2009 budget of \$1,235,540. This 44 percent reduction resulted in the loss of three full-time positions along with a reduced budget for supplies and services. For the first time since opening in 2006, the Center closed during the months of December, January, and February. Also for the first time, the Center was only open five-days-per-week during the summer months rather than operating with a seven-day-per-week summer schedule.

## **Annual Visitation Remains Strong**

Through most of the year, daily use counts showed increases over the corresponding time periods from the previous year. However, with the large number of days closed, the Center's 12-month total dropped from 44,882 in FY 2009 to 40,619 in FY 2010.

Increases in daily visitation were likely due to two things: a focused marketing campaign and the higher cost of gasoline which influenced many Oregonians to vacation close to home. Considering the increases in daily visitation, if the Center had operated on the same schedule as previous years, annual visitation would have been higher than any year since the grand-opening year of 2006.

## **Interpretive Program Provides Meaningful Experiences for Visitors**

Staff guided walks and talks, in and around the Center, and interpreted the history and diversity of life in the Tillamook State Forest, and the many values of forests in our lives. Programs were offered on days and times that would allow for the largest number of participants. The number of programs offered during the year was lower than in previous years due to the reduction in staffing and days of operation; however, visitors reported enjoying the programs and expressed new appreciation for the forest and its many values. Campground programs and guided hikes in the forest were removed from the schedule due to limited staffing capacity.

The year's special events included the Return from the Burn event (August), Take a Child Outside (September), Holiday Wreath-making



(November), and Arbor Week Tree Planting (April). The Arbor Week event was scaled back from two days to one day due to lack of staffing available from District Offices.



*Photo: Oregon Department of Forestry*

### **Visitors to the Tillamook Forest Center**

During March, the Center hosted a traveling exhibit titled “Oregon is Indian Country.” This Oregon History Museum exhibit included descriptions of Native uses of the forest and the history of treaties between the United States Government and Oregon Tribes. As part of the exhibit, a stipend was provided to

bring Native craft demonstrations the Center. With these dollars, Center staff arranged for a basketry demonstration by a member of the Confederated Tribes of Siletz Indians and a flint knapping demonstration by a member of the Confederated Tribes of Grand Ronde.

### **Education Program Takes Students Outside to Learn About Forests**

Education programming was highly successful during this past year. While hosting nineteen fewer programs, due to reduced staffing levels, total student participation went up due to larger class sizes.

All available dates for staff-guided school programs were quickly booked again this year, with Center staff working at full capacity to provide this important programming. And, in order to extend learning opportunities to even more students, self-guiding materials were offered to teachers so that they could bring their students and lead their own programs in and around the Center. The most popular programs offered guide students to learn about the trees and history of the Tillamook State Forest.



**Table 13. Tillamook Forest Center Summary Information  
Fiscal Years 2006—FY 2010**

<b>Fiscal Year</b>	<b>Annual Visitation</b>	<b>Education Participation</b>	<b>Interpretation Participation</b>	<b>Gift Shop Sales</b>	<b>Donations to Trust</b>	<b>Volunteer Hours</b>
2006	18,050	2,156	2,519	27,059	2,029	540
2007	54,160	3,997	3,593	81,071	6,720	2,978
2008	45,477	5,168	4,409	77,810	5,056	4,327
2009	44,882	4,546	3,049	63,012	7,549	3,191
2010	40,619	5,450	1,246	47,212	8,412	3,152

In addition, all programs recognize the value of outdoor learning and emphasize having students complete a portion of their experience out on the trails surrounding the Center.

### **Center Advocates for Environmental Literacy – Important for Oregon’s Future**

During the course of the year, the Center Director served on the state-wide Environmental Literacy Task Force which was established by the State Legislature in 2009. Through this work, the Center and ODF have a voice in shaping the Environmental Literacy Plan for Oregon. The work of the Task Force is in direct alignment with the mission of the Center where students are guided to experience, learn about, and become more closely connected to the forest.

### **Gift Shop Extends Learning and Donations Rise**

The Center’s Gift Shop continues to provide visitors with books, games, and other tools for learning about forests, even long after their visit to the Center. While visitors continued to appreciate the Gift Shop, a drop in sales for the year reflected both the tough economic times and the reduced number of days the Center and Gift Shop were open. Limited dollars for purchasing inventory further contributed to the decline in sales.



Donations to the Tillamook Forest Heritage Trust went up during the year in large part due to construction of a new donation box, a more strategic location for placement of the box, and staff members watching for appropriate opportunities to welcome contributions. During this year, the Trust provided the Center with funding to assist with marketing, distribution of the Center's newsletter, and fabrication of new donor benches.

## **Facilities Well-Maintained**

Center facilities were maintained in excellent condition during the year thanks to the hard work of Center staff, South Fork inmate crews, an energized Oregon Youth Conservation Corps crew, and dedicated volunteers. Volunteer hours for the year continued to be high, with the total running almost equal to the previous year in spite of the many weeks the Center was closed.

In addition to cleaning and general maintenance work, facilities accomplishments included the refinishing of donor benches and hand rails, replacement of faded interpretive signs, stripping and refinishing of picnic tables, and removal of a tremendous amount of scotch broom from sites near the Center. In addition, Center workers repainted our classrooms, stripped and refinished vinyl flooring, performed deep-cleaning of the exhibit hall, and replaced a badly weathered front entry mat.

Special support came from South Fork inmate crews who fabricated and installed a new donor tree wall, rebuilt and refinished our highway signs, built and installed new donor benches, and removed a large number of hazard trees near the Center.

With the big boost from volunteers, South Fork, and the Oregon Youth Conservation Corps, the Center grounds and facilities looked their best since the grand opening of the Center in 2006.

## **Conclusion**

The Tillamook Forest Center is committed to helping visitors of all ages learn about and grow in their understanding and appreciation of forests. Center staff members have continued to seek partnerships and volunteer support which allowed the Center to be more fully successful even through challenging economic times.

For more information, visit the center on the web at [www.tillamookforestcenter.org](http://www.tillamookforestcenter.org).



# Other Management Activities



## Intensive Management

Intensive management activities (Table 14) represent an investment to increase the volume and/or quality of timber. These investments result in increased harvest revenue and improved habitat for many late seral habitat-dependent fish and wildlife species – species requiring older forest habitat.

Reforestation activities include site prep, planting, and tree protection. These activities are dependent on the timber harvest schedule, the availability of suitable seedlings and weather. The timing of when a harvest unit will be completed and available for site preparation or planting is sometimes unpredictable and made over a



Photo: Oregon Department of Forestry

**Forest Nursery Douglas-fir Seedlings**



year in advance. This often results in a situation where the harvest unit is not ready and the scheduled activities are postponed. Conversely, there are situations when harvest units are finished earlier than predicted resulting in opportunities to move scheduled reforestation activities forward. Capturing these opportunities is contingent on having flexible reforestation contracts, being able to prepare the site, and availability of appropriate seedlings.

The quality of seedlings available from the nurseries is also variable. Due to a number of situations, there may be a shortfall or excess of seedlings available from the nurseries. Shortfalls result in not being able to plant ground on schedule, while an excess may allow the planting of an available area a year ahead of schedule. Deep snow and late season snow storms added to the challenges of tree planting this year. Weather conditions are a major factor in chemical site preparation and tree planting. The window of opportunity is sometimes so short for certain activities that conditions may not be suitable to accomplish all the work planned. This is especially true in chemical applications where weather parameters and physiological development of the vegetation are critical. Because of these variables, what is accomplished is often different than what was planned.

Release, pre-commercial thinning, and fertilization are activities that enhance the growth or quality of crop trees. These activities are not generally as time dependent, and can provide flexibility to the program. Because of circumstances such as high fertilizer costs, a project may be cancelled or postponed, and funds shifted to accomplish higher priority or more cost effective activities. Pruning is now mostly done to reduce the amount of white pine blister rust on western white pine. Pine is planted in root disease areas because it is less susceptible to the disease than other conifers. Invasive species management (including noxious weeds) activities are conducted concurrently or as an opportunity with other vegetation management practices, or to target weeds in specific areas. These activities may be conducted as part of a coordinated effort in partnership with other landowners and agencies.

## Road Accomplishments

Roads essential to forest management are constructed or improved as needed. Construction includes any new roads and reconstruction or



**Table 14. Intensive Management Activities on Board of Forestry Lands  
Fiscal Year 2010**

<b>Management Activity</b>	<b>Acres Planned</b>	<b>Acres Completed</b>	<b>Average Cost per Acre</b>	<b>Total Cost</b>
Initial Planting	6,235	5,133	\$235	\$1,207,243
Interplanting	358	2,531	\$155	\$393,333
Invasive Plants	316	297	\$58	\$17,176
Precommercial Thinning	1,335	445	\$48	\$21,576
Pruning	18	35	\$41	\$1,450
Release—Chemical—Aerial	100	581	\$46	\$26,577
Release—Chemical—Hand	275	24	\$18	\$433
Release—Mechanical—Hand	1,348	3,725	\$56	\$207,257
Site Preparation—Mechanical	370	502	\$68	\$34,000
Site Preparation—Slash Burning	567	1,102	\$19	\$20,385
Site Preparation—Chemical—Aerial	3,319	2,792	\$63	\$176,554
Site Preparation—Chemical—Hand	699	745	\$113	\$84,067
Surveys—Invasive Plants	16	48	\$0	\$0
Surveys—Reforestation <sup>1</sup>	2,470	2,343	\$1	3,618
Tree Protection—Barriers	266	830	\$66	\$55,088
Tree Protection—Direct Control	6,184	3,157	\$37	\$115,268
Underplanting	22	5	\$217	\$1,083
<b>Totals:</b>	<b>23,898</b>	<b>24,295</b>	<b>N/A</b>	<b>\$2,365,107</b>

<sup>1</sup>Reforestation Surveys evaluate plantation performance two to six years after establishment to determine the need for additional intensive management activities.



relocation of abandoned roads, while improvement included bring an old road up to current standards. Road vacating is used on a limited basis, and is the permanent closure of roads, including removal of stream crossings and complete stabilization of the prism. Table 15 is designed to provide information about the road system management on BOF lands as they vary by district. The road work reported in Table 15 is based on annual requests for information from each District.

This year's report also includes pipes installed for fish passage, information also used to report on Performance Measure 5(b) – fish passage at stream crossings. Although many road investments are still deferred until timber market conditions improve, prior investments in will allow these deferrals for a short period of time. Progress also continues, at a slower pace, on improvements to the road system consistent with Performance Measures 5 (a) and (b).



*Photo: Oregon Department of Forestry*

**Engineering Activity on the Tillamook State Forest**



**Table 15. Road Accomplishments on Board of Forestry Lands  
Fiscal Year 2010**

District/County	Aggregate/Paved Surface			Dirt Surface			Bridges	Fish Pipes
	Constructed	Improved	Vacated	Constructed	Improved	Vacated	Installed	Installed
Astoria/ Clatsop	23.2 mi.	45.4 mi.	1.2 mi.	7.9 mi.		1.6 mi.	3	1
Forest Grove/ Columbia	1.1 mi.			0.2 mi.				
Forest Grove/ Clatsop	0.1 mi.	0.2 mi.						
Forest Grove/ Washington	10.6 mi.	12.4 mi.	0.4 mi.	1.0 mi.			1	1
Forest Grove/ Tillamook	3.6 mi.	6.4 mi.	1.1 mi.				1	2
Klamath/ Klamath					6.6 mi.	0.2 mi.		
North Cascade/ Clackamas							0.5*	
North Cascade/ Linn	2.1 mi.	3.0 mi.		0.1 mi.				
North Cascade/ Marion	4.7 mi.						0.5*	
Southwest Ore- gon/Douglas				1.3 mi.	1.8 mi.			
Southwest Ore- gon/Josephine				1.8 mi.	0.1 mi.			1
Tillamook/ Tillamook	4.2 mi.	17.1 mi.	0.3 mi.					
West Oregon/ Benton	0.1 mi.	0.3 mi.		1.1 mi.				
West Oregon/ Lincoln	0.4 mi.	0.9 mi.		0.6 mi.				
West Oregon/ Polk				0.2 mi.				
Western Lane/ Lane	0.8 mi.							

\* Bridge installed on county line (half in each county)





# Recreation

## Recreation Accomplishments

FY 2010 presented special challenges to the State Forests Division's recreation program, requiring cutbacks of funds for both personnel and facility maintenance, and deferral of most new recreation development projects. Also deferred was a vision-guidance planning process to provide mid- and long-range strategic direction for the recreation program. In its place, interim guidance set program operating standards at basic maintenance levels for facilities



*Photo: Oregon Department of Forestry*

**Gales Creek Campground, Tillamook State Forest**

Creative partnerships helped fill the void left by funding reductions, including a significant increase in utilization of All Terrain Vehicle funding transferred from the Oregon Parks and Recreation Department under an agreement directed by the Oregon Legislature. This transfer of approximately \$350,000 enabled ODF to maintain key aspects of its motorized recreation program. Grants from a variety of partners and non-



profit organizations, including Cycle Oregon, provided funds to maintain non-motorized facilities. Volunteer work parties and in-kind assistance once again helped ensure key maintenance work was completed, and that some upgrades were done on existing facilities.

Although all state forest lands provide diverse opportunities for outdoor recreation, developed facilities (campgrounds, trailheads, etc.) are present only in the Northwest Oregon Area forests. With the economy forcing a decline in timber revenue, recreation project-development was kept to a minimum during FY 2010. The amount of volunteer hours in FY 2010 (Table 16) was slightly below the FY 2009 total (down 7 percent). A summary of FY 2010 trail projects is provided in Table 17. Camping use stayed about the same as FY 2009 and the revenue level was slightly lower (Table 18).

**Table 16. Volunteer Hours for Recreation Projects  
Fiscal Year 2010**

	<b>Tillamook State Forest Forest Grove District</b>	<b>Tillamook State Forest Tillamook District</b>	<b>Clatsop State Forest</b>	<b>Santiam State Forest</b>	<b>West Oregon District</b>
<b>Total Hours</b>	5,602	3246	862	602	2894

**Table 17. Trail Project Summary  
Fiscal Year 2010**

<b>Activity</b>	<b>Tillamook State Forest</b>		<b>Clatsop State Forest</b>	<b>Santiam State Forest</b>	<b>West Oregon District</b>
	<b>Forest Grove District</b>	<b>Tillamook District</b>	<b>Astoria District</b>	<b>North Cascade District</b>	
<b>Off-Highway-Vehicle Trails (Existing)</b>	71 miles	400 miles	15 miles	5 miles	0
<b>New Trails Constructed</b>	2 miles	5 miles	5 miles	0	0
<b>Trail Upgrades/Improvements</b>	0.5 miles	17.5	1 mile	0	0
<b>Trails Maintained</b>	23 miles	29 miles	9 miles	5 miles	5 miles
<b>Non-Motorized Trails (Existing)</b>	60 miles	21 miles	18 miles	18 miles	10 miles
<b>New Trail Construction</b>	5 miles	0	0	0	0
<b>Trail Upgrades/Improvements</b>	2 bridges	0	1 bridge	0	0
<b>Trails Maintained</b>	47 miles	21 miles	5 miles	28 miles	10 miles



**Table 18. Number of Campers and Revenue from Campgrounds  
Fiscal Year 2010**

<b>Campground</b>	<b>District</b>	<b>Number of Campsites</b>	<b>Campers</b>	<b>Revenue</b>
Henry Rierson Spruce Run	Astoria	38	8,986	\$24,017
Gnat Creek	Astoria	4	910	\$1,824
Northrup Creek (new)	Astoria	8	448	\$1,788
Gales Creek	Forest Grove	21	2,655	\$13,110
Brown's Camp	Forest Grove	30	4,369	\$21,396
Stagecoach Horse Camp <sup>1</sup>	Forest Grove	10	36	\$320
Elk Creek	Forest Grove	14	1,512	\$3,708
Reehers Camp	Forest Grove	16	395	\$1,901
Rock Creek	North Cascade	4	157	\$1,243
Butte Creek Falls	North Cascade	3	113	\$978
Santiam Horse Camp	North Cascade	10	283	\$2,754
Shellburg Falls	North Cascade	7	181	\$1,316
Jones Creek	Tillamook	47	5,164	\$24,248
Jordan Creek	Tillamook	6	430	\$1,967
Nehalem Falls	Tillamook	21	2,733	\$13,963
Keenig Creek	Tillamook	10	1,249	\$2,368
<b>Total:</b>		249	29,621	\$115,902

<sup>1</sup> Stagecoach Horse Camp was only open for one month do to renovations.

## Recreation Facility and Development Projects

Each State Forest and District with developed recreation facilities has a ten-year plan that provides a prioritized list of facility development projects. Other districts pursue recreation opportunities as time and



resources allow and in concert with user groups and volunteers. Following is a summary of recreation-related accomplishments during FY 2010.

## Clatsop State Forest—Astoria District

### Developed Facility Improvements

#### Henry Rierson Spruce Run Campground

Continued making improvements to various infrastructures in the campground including drainage and parking issues.

#### Dispersed Recreation Sites

Continued to improve camping infrastructure at **Beaver Eddy** and other **Lower Nehalem dispersed camping sites** to improve parking and overall condition at sites.

#### Soapstone Lake Trail

Cleared trails of windthrow that resulted from winter storms.

#### Nicolai Mountain OHV Area

- Continued trail development and maintenance.
- Constructed two off-highway-vehicle (OHV) bridges over fish streams.
- Designated 15 miles of OHV trails open to motorcycle, quad, and side-by-side vehicles



*Photo: Oregon Department of Forestry*

**Nicolai Mountain OHV Trail,  
Clatsop State Forest**

## Elliott State Forest—Coos District

While the majority of the Elliott State Forest is CSFL managed by ODF under contract for the SLB, there are some BOF lands, as well. During FY 2010, the Coos District built a bridge connecting ODFW's Millicoma Interpretive Center to Camp Millicoma (which is a special use permit camp). Additionally, ODFW coordinated volunteers to build one-quarter mile of trail north of the Millicoma Interpretive Center.



## **Gilchrist State Forest—Klamath-Lake District**

Salem staff prepared a recreation assessment of the Gilchrist State Forest indicating moderate to significant potential for recreation development and use. The work was done in support of the acquisition process, which culminated with purchase of the Gilchrist tract lands and dedication of the new state forest in June of 2010. While no specific developments are planned, the district will enable continued recreation use of the land and will begin to assess future recreation needs and opportunities.

In the meantime, the Gilchrist State Forest provides public access for a variety of compatible uses. Visitors may enjoy day hikes, a self-guided auto tour of the forest, dispersed camping opportunities (no services provided), off-highway vehicle recreation on designated roads, wildlife viewing, and wildlife use subject to ODFW regulations. All of these services are available using the ‘informal dispersed recreation’ model that ODF has successfully employed on the Sun Pass State Forest near Crater Lake.

The self-guided auto tour, which provides information and photographs about this new state forest, is available as a PDF file for downloading at:

[www.oregon.gov/ODF/STATE\\_FORESTS/docs/GilchristStateForesttour.pdf](http://www.oregon.gov/ODF/STATE_FORESTS/docs/GilchristStateForesttour.pdf)

Other information about the Gilchrist State Forest is available on the department’s website at:

[www.oregon.gov/ODF/STATE\\_FORESTS/gilchrist.shtml](http://www.oregon.gov/ODF/STATE_FORESTS/gilchrist.shtml)

## **Santiam State Forest—North Cascades District**

The Santiam State Forest has a strong base of volunteers from the recreation community. The district has active adopt-a-trail agreements with the Crooked Finger Riders Association (an OHV club) and the Mountain Street Dirt Crew (a mountain bicycle club). These groups are responsible for the maintenance activities for the district’s Crooked Finger OHV Area and Shellburg Downhill Mountain Bike Area. In addition to these primary volunteer groups, the district has worked with Oregon Equestrian Trails, Boy Scouts of America, and other volunteers on projects in the district’s recreation areas.





*Photo: Oregon Department of Forestry*

### **Santiam Horse Camp on the Santiam State Forest**

Currently, the district is not constructing any new trails or improving any facilities. All volunteer hours are in the form of maintenance to the existing infrastructure. In FY 2010, the district ceased its education/interpretation program due lack of funding. No education or interpretation programs were offered by the district in FY 2010.

## **Tillamook State Forest—Forest Grove District**

### **Developed Facility Improvements**

#### **Stagecoach Horse Camp**

- Expanded and resurfaced campsite parking pads for 10 campsites.
- Expanded and improved the living area spaces for 10 campsites.



*Photo: Oregon Department of Forestry*

### **Stagecoach Horse Camp, Tillamook State Forest**



- Improved and resurfaced the campground loop road.
- Improved and resurfaced the entry and exit roads for the site.
- Constructed new two horse corrals at each of the 10 campsites.
- Fabricated and installed site identification signs and campsite number posts.
- Installed picnic tables and fire grates at each of the 10 campsites.
- Removed hazard trees.

## OHV Trail and Dispersed Site Projects

- Constructed a 0.5 mile bypass addition to the **Chute Trail** to improve public safety and reduce trail impacts.
- Constructed a 0.8 mile addition to the **Sidewinder Trail** to create better trail connectivity, reduce road riding and to increase public safety.



*Photo: Oregon Department of Forestry*

**Gummyworm Trail on the Tillamook State Forest**

- Constructed a 0.8 mile addition to the **Gummyworm Trail** in collaboration with an Adopt-a-Trail partner.
- Completed 0.5 mile of trail upgrade work on **Can Opener** and **Airplane Hill Trails** in collaboration with Adopt-a-Trail partners.
- Installed a 40-foot long Pipe-Arch (112"x75") culvert that allows for fish passage on the **University Firepower Trail**. This culvert replaced a failing puncheon culvert and was a qualified FEMA project.
- Completed a seasonal

review and assessment of over 60 miles of OHV trail in collaboration with the district's Adopt-a-Trail partners.

- Completed significant upgrade work at the **Woods Point dispersed camping area** to address resource impacts, protect the district's current investment, and address staff safety issues. This camping area includes six individual campsites.
- Completed upgrade at the **Lyda Camp dispersed camping area** to protect natural resources and improve site conditions for visitors.



## Non-Motorized Trails

- Completed construction of the three-mile long **Wilson River Trail segment C-1**. This project was built on contract, and funded entirely by grants and donations.
- Prepared the project contract for the **Gales Creek Trail** storm damage repair project, then bid and awarded the project.
- Submitted a Recreation Trails Program grant application to partially fund the **Gales Creek Trail** project. The application was successful and ODF was awarded \$23,696.00 in grant funds for the project. Recreational Trails Program grant money is being partnered with FEMA funding to cover the cost to reconstruct the **Gales Creek Trail**.
- Added the 1.7-mile **Raven Ridge Mountain Bike Trail**. This trail was constructed by volunteers.
- Constructed a .25-mile addition to the **Nels Rogers Trail** to create safer trail access from **Rogers Camp Trailhead**.
- Constructed a .25-mile section of the **Step Creek Loop Trail**.
- Constructed a 20-foot long bridge on the **Gales Creek Trail** to replace a bridge that was failing. The bridge was constructed by a Scout group as an Eagle Scout project.
- Constructed a 30-foot bridge on the **Step Creek Trail**. The project was 70 percent funded by grants and donations.
- Completed seasonal review and assessments of 50 miles of trail in collaboration with volunteers and the district's Adopt-a-Trail partners.

## Tillamook State Forest—Tillamook District

### Maintenance/Operations

- Performed forest-wide trash and abandoned property clean-up and removal.
- Opened and operated all campgrounds, staging areas, and day use areas.
- Worked collaboratively to assist with forest law enforcement and emergency response.
- Conducted maintenance on 21 miles of non-motorized trails.
- Painted the vault toilet building in **Jones Creek Campground**.
- Directed and supported the work of camp hosts at **Nehalem Falls** and **Jones Creek campgrounds**.



## Project Work



*Photo: Oregon Department of Forestry*

**One of the Highway 6 Access Management Plan Sites—Before**



*Photo: Oregon Department of Forestry*

**The same site as above, after project work to block access**

- Completed the **Highway 6 Access Management Plan** that blocked and rehabilitated over 15 negatively impacted sites along the **Wilson River**.

- Opened **Diamond Mill Campground** as a fee-based campground for the FY 2010 recreation season.

- Relocated the **Jones Creek Footbridge** on the **Wilson River Trail** to avoid being washed out by high-water events.

- Hosted four volunteer work parties for non-motorized trail maintenance and forest clean-up.

- Worked with timber sale administrators and operators to minimize impacts to recreation trails and facilities.

### **OHV Trail and Dispersed Site Projects**

#### **Project Work Accomplished**

- Built a 25-foot OHV trail bridge over **Cruiser Creek** using Oregon Youth Conservation Corps crew labor.



- Secured All Terrain Vehicle and RTP grant funding for specialized trail equipment and OHV trail bridges.
- **Scotch Broom Trail** re-route and rock for water control - 1 mile
- **Alder Trail** re-route and rock for water control - 2.2 miles
- **Mongos Trail** reroute and extensive water/erosion control - 2.3 miles
- **Beaverslide Trail** re-route for erosion and water control - 0.4 mile
- **MC Trail** re-route for erosion and water control - 0.5 mile
- **BPA Trail** re-route of rebuilt road - 0.5 mile
- **Diamond Mill Ridge Trail** construction to bypass main road - 3.0 miles
- **Diamond Mill Cutoff Trail** reconstruction to ATV width to bypass main road - 0.5 mile
- **Plastic Downhill Trail** reconstruction and re-route after a timber sale - 1.5 miles
- **Gramps Trail (Cruiser Creek Bridge)** reconstruction to ATV width and water control re-route - 0.9 mile
- **Cruiser Creek Bridge** (new) construction to OHV specs - 25 foot span
- **Mad Dogs Pumpkin Patch** re-route off reconstructed road – 4 miles
- **Cruiser Creek Falls OHV Viewpoint** railing, benches, and 0.1 miles of trail.

#### **Trail Maintenance Accomplished**

- **Spaur Creek Trail** brushing, water control, and blocking of trail creep—1.5 miles
- **Jordan Creek Trail** brushing and water control—2.2 miles





# Research and Monitoring

## Research and Monitoring Program

The FMPs for State Forests emphasize the need for adaptive approaches to management, in which the results of management actions are measured and compared to pre-determined objectives, and changes are made where necessary. This approach requires a commitment to long-term information gathering and the incorporation of that information into the decision-making process. The State Forests Division's Research and Monitoring Program was developed to ensure that the levels of research, monitoring, and technology transfer are adequate to meet the information needs required by these long-range management plans.

In FY 2009, the program supported approximately 20 research and monitoring projects and forestry research cooperatives at a level of approximately \$1.2 million.. Starting in FY 2010, which began July 1, 2009, support for research and monitoring projects was greatly reduced. The program will continue to support some research cooperatives, such as the Hardwood Silviculture Cooperative, Vegetation Management Cooperative, etc., as well as provide limited support to the Trask Watershed Study and to RipStream. Learning from forest science and experience will be constrained for some time.

Following are brief descriptions of current research and monitoring projects and objectives of the research cooperatives.



# Research and Monitoring Projects

## Implementation Monitoring

Implementation Monitoring broadly seeks to determine if management and conservation strategies specified in ODF's FMPs are being properly implemented. It also helps establish baseline conditions from which to measure effectiveness of the strategies. This type of monitoring measures on-the-ground indicator variables to assess how management practices are put into practice and is an accounting of what we did. Further, it seeks to determine to what degree post-operation conditions reflect original management intent defined in pre-operational prescriptions. Lastly, Implementation Monitoring helps assess the feasibility and achievability of strategies and targets.

This study addressed the metrics and strategies established by the Landscape Strategies and the Aquatic and Riparian Strategies in the FMPs, as well as the strategies for management of Salmon Anchor Habitat areas.

A total of 55 stands across seven operational districts were sampled from AOPs in FYs 2002-2006. Data was collected in the upland areas using standard inventory methods and, separately, data was collected in the Riparian Management Areas of these stands using methodology derived from a 2008 pilot study. Additionally, a set of questions was answered by contract administrators for each of the sales in the study to assess implementation of strategies that were not quantitatively measurable.

Overall, Implementation Monitoring showed:

- Department staff indicated understanding and intent to implement the strategies in the FMPs.
- Broad compliance with FMP strategies in the upland and riparian management areas, with a few areas of over or under achievement of strategies.
- A number of areas where the FMP targets or goals are unlikely to ever be achieved without significant investment (e.g. converting hardwood riparian areas to conifer)



Through adaptive management, results of this study will inform implementation of strategies to achieve goals in the forest management plans and will also provide insight into improvement of the definitions and standards in the forest management plans themselves.

## **Riparian Function and Stream Temperature (RipStream)**

The RipStream project is designed to measure the effectiveness of stream protection rules as prescribed for State Forests and private forestlands. RipStream study sites are located throughout the Coast Range geographic region on small- and medium-sized fish-bearing streams. The study design called for sites to have two years of pre-harvest data, followed by five years of post-harvest data collection. Currently, all 33 sites (18 private and 15 State) have at least three years of post-harvest data. This project was initiated in 2002 and the final year of data collection was originally scheduled to be 2011. Without funding from outside grants, data collection will likely remain incomplete. Significant data collection gaps remain in post-harvest Year-Five data (~30 percent complete).

The completed analysis addressed the question of whether or not during the first two years post-harvest, RipStream sites met Department of Environmental Quality stream temperature standards on state and private forests during the first two years post-harvest. The analysis evaluated two Department of Environmental Quality temperature standards: the Biologically-Based Numeric Criteria and the Protecting Cold Water Standard (PCW).

This analysis indicated a low risk that timber harvests are non-compliant with the Numeric Criteria on both state and private sites. Timber harvests designed to the minimum Forest Practices Act riparian protection standards for Medium and Small Type F streams exceeded the PCW at a greater frequency than would be expected by chance. Timber harvests on state forestlands did not exceed the PCW more frequently than expected under natural background conditions.

The analysis focused on a strict regulatory perspective of stream temperature. While designed to rigorously address regulatory questions, the results did not address functional questions of what site or other environmental variables specifically influence stream temperature. Results of the PCW analysis have been submitted to the peer-reviewed journal, *Water Resources Research*. A second manuscript is being prepared describing Biologically Based Numeric Criteria results. Pre-harvest stream temperature conditions were described in an



earlier journal article. Another eight analysis products (papers or reports) are planned for RipStream, but are dependent on grant or other funding.

A functional analysis is being conducted to determine the magnitude of stream warming or cooling attributable to timber harvest. The analysis will address stream temperature behavior in relation to treatment reach length, changes in shading, stream gradient and other factors. This analysis will provide insight into timber harvest features that contribute to changes in stream temperature, an ability the current regulation compliance analysis lacks.

## Trask River Watershed Study: Examining the effects of current forest practices on varying scales

As one of three watershed-scale studies within the Watershed Research Cooperative (<http://watershedsresearch.org/>), the Trask River Watershed Study is examining three different best management practices across three ownerships when harvesting around small non-fish-bearing streams. This study is testing the effectiveness of these best management practices in achieving stream protection goals. Ultimately, this cooperative research with Weyerhaeuser Company and the U.S. Bureau of Land Management will help ODF understand how aquatic systems, particularly small headwater streams, respond to forest harvest operations and the extent to which these impacts are transferred downstream.

The study addresses the following questions:

1. What are the pre-harvest conditions in the small non-fish-bearing streams and downstream in the fish-bearing sections?

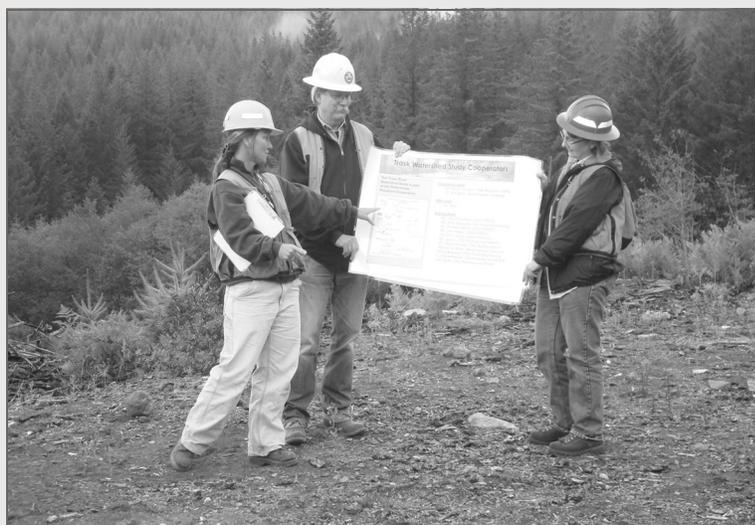


Photo: Nancy Hirsch, Oregon Department of Forestry

Touring the Trask River Watershed Study Area



2. How does forest harvest affect temperature, flow and sediments in the headwaters? Are effects detected downstream?
3. How does natural variability and forest harvest influence fish populations?
4. What are the effects of adjacent forest harvest on instream insects? Are effects transferred downstream?
5. What are the effects of adjacent forest harvest on amphibians? Are effects transferred downstream?

A contextual analysis has been completed describing background watershed conditions. Data have been collected in headwater and larger streams including stream flow, suspended sediment, channel habitat, amphibian and aquatic insect distributions and characteristics, riparian conditions, and fish. These data are collected under a common study plan which will allow for analyses that account for linkages between these parameters.

An important output from the Trask River Watershed Study is published science from which ODF can consider effectiveness of our management strategies. This will involve several outlets including masters theses, PhD dissertations, and peer-reviewed science journals. To date, several papers have been presented at scientific conferences and two Masters and one PhD theses have been completed

Another important output is outreach to local, state, and federal partners. In 2010, six tours of the watershed were conducted and included representatives from state and federal natural resource agencies, professional organizations, county commissioners, local community organizations, BOF members, and conservation groups.

The study duration is 2007-2016. General data collection began in 2006, with more focused approaches implemented in 2007. Road



*Photo: Nancy Hirsch, Oregon Department of Forestry*

**Touring the Trask River Watershed Study Area**



construction will take place in 2011, allowing four years of pre-treatment data collection. Harvest will occur in 2012 and the study will end in 2016 after four years of post-harvest data collection.

## **Research Cooperatives**

### **Hardwood Silviculture Cooperative**

The Hardwood Silviculture Cooperative is a multi-faceted research and education program focused on the silviculture of red alder (*Alnus rubra*) and mixes of red alder and Douglas-fir (*Pseudotsuga menziesii*) in the Pacific Northwest. The goal of the cooperative is to improve the understanding, management, and production of red alder.

### **Swiss Needle Cast Cooperative**

The original mission of the Swiss Needle Cast Cooperative, formed in 1997, was broadened in 2004 to include research aiming to ensure that Douglas-fir remains a productive component of the Coast Range forests. The cooperative supports research and monitoring across a broad range of disciplines to understand the disease and causal or contributing factors. Major areas of research include impacts on tree growth, pathogen biology/ecology, host physiological response, silvicultural treatments, host tree genetics/resistance, direct control, and tree nutrition. ODF participates in multiple studies with the Swiss Needle Cast Cooperative.

### **Stand Management Cooperative**

The mission of the Stand Management Cooperative is to provide a continuing source of high quality information on the long-term effects of silvicultural treatments and treatment regimes on stand and tree growth and development and on wood and product quality. The Stand Management Cooperative is a cooperative effort of landowners, processors, research agencies, and universities. The cooperative was formed to create a pool of funding, scientific talent, and long-term continuity necessary to achieve the mission.





# Forest Health

*Note: Information in this report only summarizes information on forest health—insects and diseases. Maps and complete information is available in reports on ODF's website at:*  
[www.oregon.gov/odf/privateforests/fh.shtml](http://www.oregon.gov/odf/privateforests/fh.shtml)

## Diseases

### Swiss Needle Cast

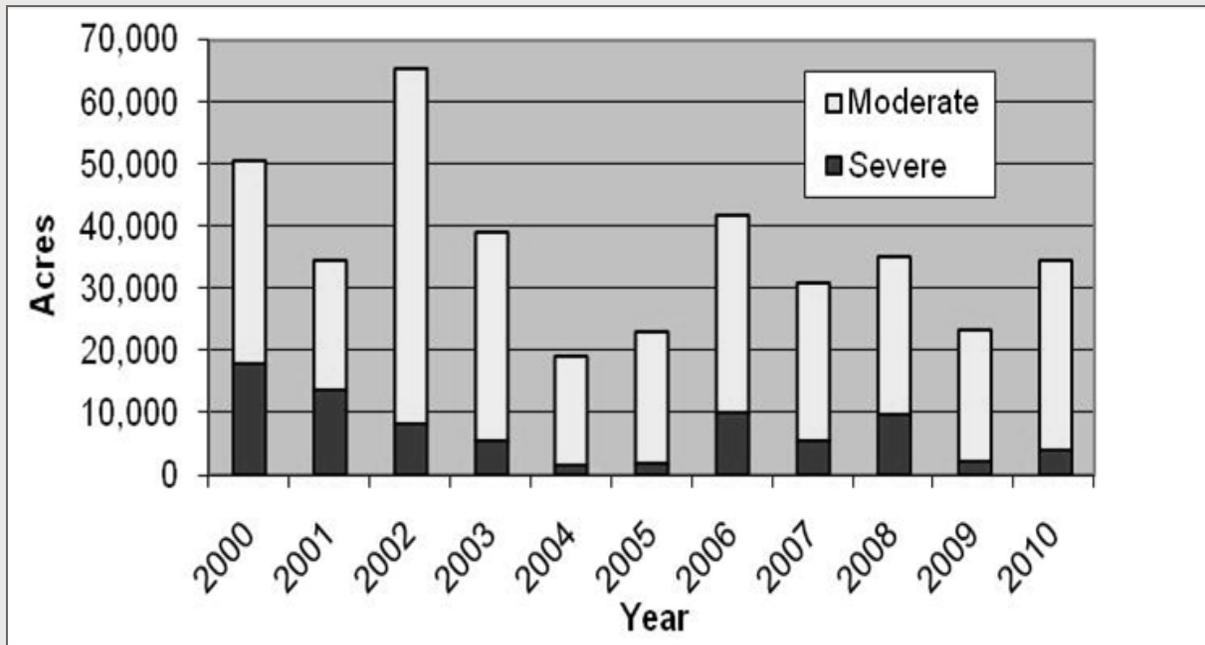
Swiss needle cast (SNC) is a native disease of Douglas-fir that has intensified dramatically in coastal western Oregon since 1990. Although the disease occurs throughout the range of Douglas-fir, it is most severe in the forests on the west slopes of the Coast range.

The 2010 aerial survey showed an increase in the area of forest with symptoms of SNC compared to the previous three years, and reached an all-time high. The surveyors mapped 393,923 acres of Douglas-fir forest with obvious symptoms of SNC. As has been the case for the past several years, the easternmost area with obvious SNC symptoms was approximately 28 miles inland from the coast in the Highway 20 corridor, but most of the area with symptoms occurred within 18 miles of the coast.

SNC damage on State Forest lands did not follow the overall trend, especially in north coast areas. On the Tillamook and Astoria districts the trend in damage for the last seven years has been downward or flat, respectively. In part, this likely reflects State Forests management practices aimed at reducing damage from SNC using various silvicultural methods.



**Figure 7. Swiss Needle Cast on State Forests Detected from Aerial Surveys, 2000–2010**



Trend in area of Douglas-fir forest with symptoms of Swiss needle cast detected during aerial surveys in April and May, 2000–2010, State Forest Lands only.

## Damaging Agents

### Aerial Surveys

Forest lands in western Oregon are consistently impacted by animal, insect, and disease agents or weather events that can lead to substantial damage and loss. Since 1993, forest landowners with an interest in the locations and causes of tree mortality, particularly that resulting from damage by bear, have sponsored an annual aerial survey. Approximately 7.7 million acres are flown each year on Bureau of Land Management, U.S. Forest Service, State, and private ownerships.



## Tree Mortality in Young Conifers

Results are summarized by ownership for the estimated number of dying trees observed. As bear damage is often scattered within a mapped area, the cumulative number of trees affected provides a better estimate than the total acreage over which it occurs. Survey findings are shown here for the period from 2007 to 2010. In 2010, the overall estimated number of dying trees declined by 42 percent relative to the previous year. On State Forest lands, this was a very low number.

It is difficult to decipher the underlying causes of recent trends, which historically have shown great fluctuation. Damage to young conifer stands in 2010 was lower than the long-term average, and showed an overall decline for the third straight year, since the above-average levels observed in 2006. We can only speculate as to the factor(s) driving the current findings, as comprehensive ground surveys are not done annually. However, spring weather conditions this year were much colder and wetter than normal and anecdotal observations suggest that the onset of damage symptoms (foliage color change) may have occurred later than usual.

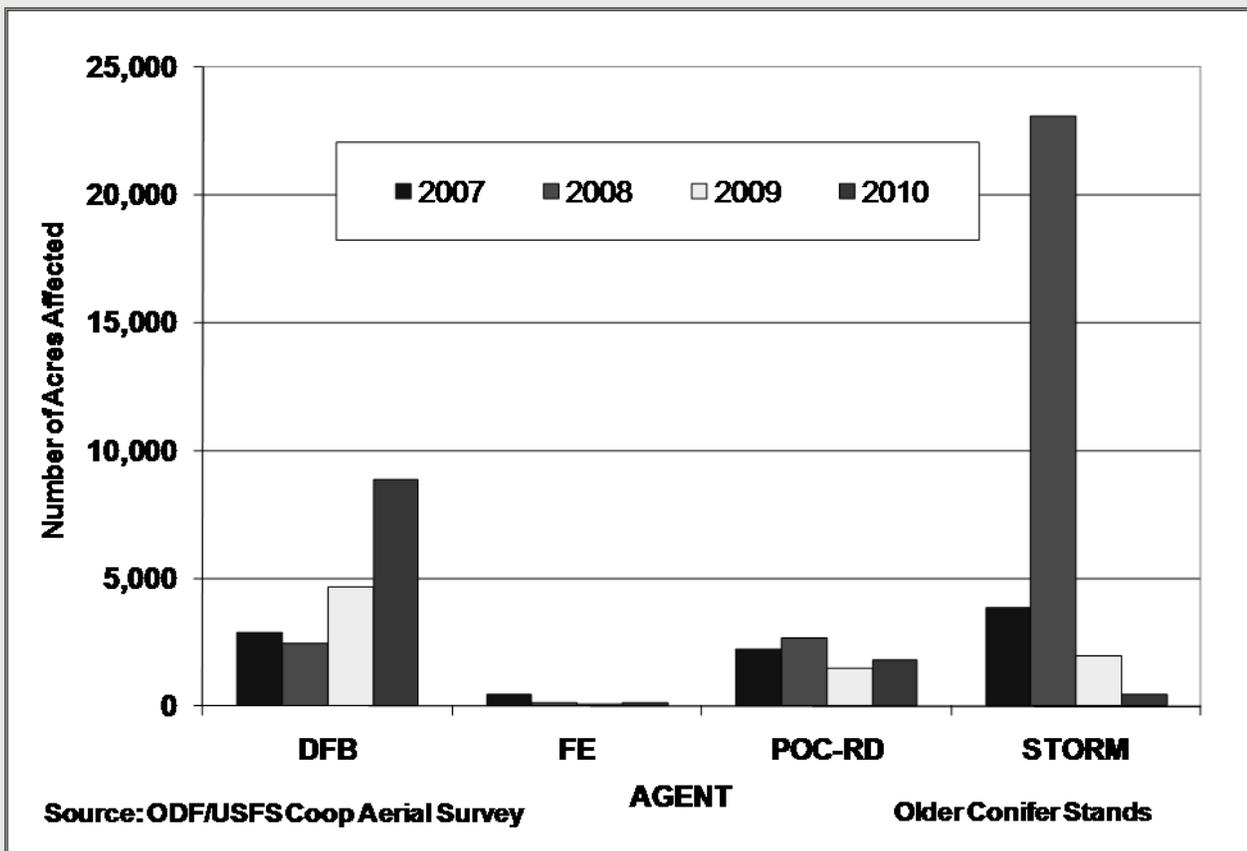
## Tree Mortality in Older Conifers

During the survey, observers also record tree damage and mortality in older stands. Damage from root disease, alone or in combination with bark beetles (Douglas-fir beetle and fir engraver), commonly affects larger diameter Douglas-fir and true firs within the survey area. Bark beetle outbreaks occur infrequently, and are often driven by damage from storms or prolonged drought events. Additional sources of tree mortality in recent years have resulted from the non-native Port Orford cedar root disease and damage from winter storms.

For most agents, the overall levels of tree mortality and damage this year were similar to those observed in 2009, with the exception of substantial increases in Douglas-fir beetle damage in many areas. In 2010, the total estimated area affected (acres) affected by these agents increased by 91 percent, driven largely by the activity of this bark beetle (Figure 8). Comparisons among the 15 counties, in terms of damage by Douglas-fir beetle, were again highly variable. Relative to 2009, the total number of dying trees attributed to Douglas-fir beetle increased in 11 counties by an average of 518 percent, with only Clatsop, Washington, and Yamhill counties showing declines of 26 percent, 36 percent, and 45 percent, respectively (Figure 9).



**Figure 8. Estimated Area (Acres) of Damage Mapped in Older Conifer Stands, 2007–2010**



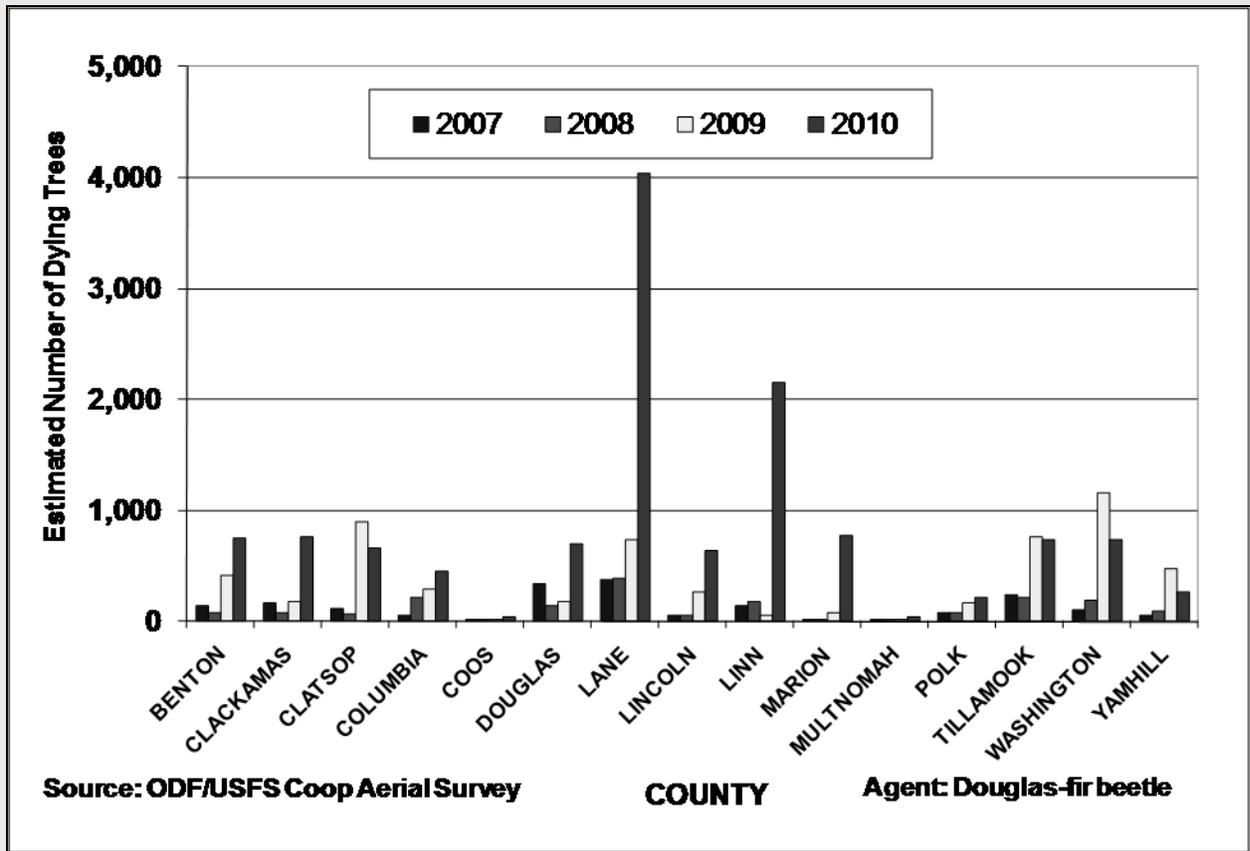
Major agents include Douglas-fir beetle (DFB), fir engraver (FE), Port Orford cedar root disease (POC-RD), and storm damage (STORM).

Estimated tree mortality from this bark beetle in 2010 was highest in Lane and Linn counties.

The increased Douglas-fir beetle damage observed in 2009-2010 likely resulted from previous storm damage and/or current, localized drought conditions that have occurred in some areas of western Oregon. Outbreaks of Douglas-fir beetle often follow two-to-three years after large storm events, as beetle populations can build-up in larger-diameter (>14" dbh) breakage and blow-down to levels sufficient to kill standing trees. Outbreaks usually subside in one-to-two years in western Oregon, but additional blow-down or drought conditions can extend or intensify the damage. Damage tends to be more localized in western Oregon than occurs with other bark beetle outbreaks in drier climates.



**Figure 9. Number of Douglas-fir Beetle-Killed Trees Mapped by County, 2007–2010**



Beetle populations are often high in and around root disease centers, but tree mortality does not appear to be more severe at those locations. There also appears to be a negative association between bark beetle damage and high levels of SNC, as heavily infected trees do not serve as good hosts. Historically in western Oregon, there have been no outbreaks of bark beetles in western hemlock or Sitka spruce as occurs with Douglas-fir and true firs, so the risk of insect damage in areas where these species are more abundant is generally lower.

Additional information and maps on these and other insect and disease agents is available at:  
[www.oregon.gov/ODF/privateforests/fh.shtml](http://www.oregon.gov/ODF/privateforests/fh.shtml)



# State Forests Reports



## Tillamook State Forest—Tillamook and Forest Grove Districts

The Tillamook and Forest Grove Districts manage the Tillamook State Forest under the NW FMP, adopted in 2001, and revised in 2010.

The Tillamook District Recreation Program continued the administration of the Tillamook State Forest Law Enforcement Program, providing three full-time deputies. Fifty percent of the cost of the law enforcement program was provided through grants from the Oregon All Terrain Vehicle Allocation Funds.

The Tillamook District is party to an Intergovernmental Agreement with Tillamook County to provide funds from timber sales in the Tillamook District's portion of the Trask Basin to improve the Trask River County Road to address safety concerns. The agreement was suspended in October 2009 and reauthorized in June 2010, with the improvement of the timber market.



*Photo: Oregon Department of Forestry*

**A load of firewood from the Tillamook State Forest**



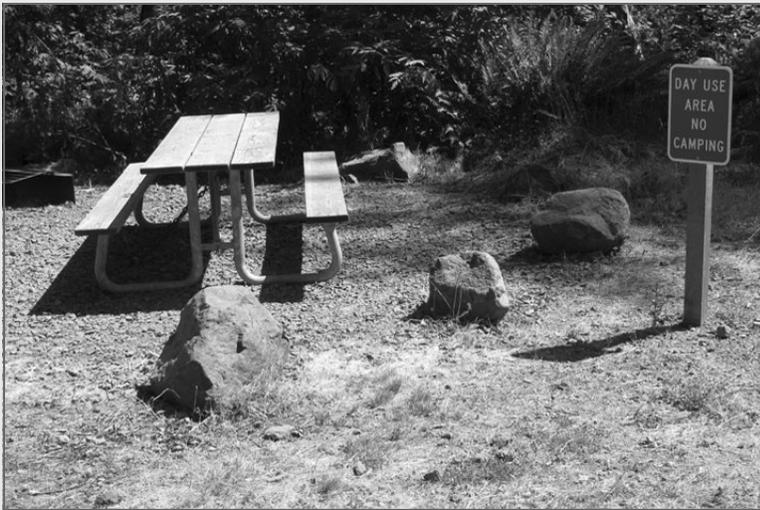
The Forest Grove and Tillamook Districts continue to experience a high demand for special forest products. One hundred and sixty-six Special Forest Products permits were sold generating \$39,100 in revenue. Special Forest Products covered by those permits were predominately salal, moss, and mushrooms. In addition, seven commercial firewood permits were sold generating \$5,340 in revenue. Personal use firewood permits (3203) were issued, generating \$32,030 in revenue.

Surveys for threatened and endangered species continued on both districts. There were no new northern spotted owl sites established in 2010, and one of the existing sites was classified as historic. There is also no change in the status of Marbled Murrelet Management Areas (MMAs).

Due to budget constraints, opportunities for stream-improvement projects were limited. A project was completed on the North Fork Gales Creek in cooperation with Stimson Lumber Company and the Tualatin River Watershed Council, where log structures were installed on approximately two miles of stream.

All improvements were completed at Stagecoach Horse Camp using volunteers, district road crews, and South Fork crews. Grant funds were secured to match the FEMA funds to reconstruct the Gales Creek Trail, which was damaged in the 2007 storm. Gales Creek Trail will be completed in FY 2011. Diamond Mill Staging Area and

Keenig Creek Campground were designated and started fee collection in FY 2010. Keenig Creek provides walk-in tent sites and Wilson River access. Diamond Mill Staging Area provides overnight camping as well as day use opportunities.



*Photo: Oregon Department of Forestry*

**Keenig Creek Campground on the Tillamook State Forest**



## Clatsop State Forest— Astoria District

The Astoria District manages the majority of the Clatsop State Forest with minor portions managed by the Forest Grove and Tillamook Districts. The Astoria District continues to implement the goals, objectives, and strategies of the NW FMP, adopted in 2001, and the District Implementation Plan, which was revised and approved in June 2009. Of the approximately 137,000 acres the district manages, BOF lands account for slightly over 98 percent of the ownership of the Clatsop State Forest; the remaining portion is CSFL.

Timber harvesting operations including thinning and regeneration harvests continue as the primary tools used to actively achieve stand structure targets set out in the FMP. The volume planned for harvest in the FY 2010 Annual Operations Plan was 61.1 MMBF with planned revenue of \$8,988,000. This included twelve primary timber sales.

### **High Net Value Sales**

Due to the volatility of the timber market, an effort was made to develop high net value sales that offered prospective purchasers harvest opportunities year-round. This strategy included marketing sales with very little project work, areas that currently offered surfaced access, and timber stands that were of higher value. This strategy was deemed a success as all sales sold and bid-up value averaged 1.76.

Timber revenue distributed to Clatsop County during FY 2010 was approximately \$11.6 million dollars. Revenue distributed to the county is derived from all active sales during the fiscal year; this can include, but is not limited to, sales within the 2010 Annual Operations Plan.

### **ARRA Funds Improve Forest Health**

The Astoria District received a grant for \$450,390 through the American Recovery and Reinvestment Act (ARRA) to conduct forest health improvement operations. Through this grant the Astoria District accomplished 413 acres of pre-commercial thinning, 412





*Photo: Oregon Department of Forestry*

### **Knotweed on the Clatsop State Forest**

acres of in-unit spraying for invasive species, 231 miles of spraying for roadside invasive species control, 16 miles of mechanical brushing for roadside invasive species control, and preliminary field reconnaissance and planning for future ARRA project accomplishment.

The district continues to experience a high demand for special forest products. Fifty-nine commercial permits were issued, generating \$12,700 of revenue. Special forest products included moss,

salal, vinemapple, and mushrooms. Permits for cutting personal firewood continued to sell yielding 1,131 permits sold for revenue of \$11,310.

### **Nicolai OHV Area Designated**

The Astoria District now has an OHV area. The Nicolai Mountain OHV Area is located in northeast Clatsop County. There are 15 miles of designated trails open to motorcycles, quads, and side-by-sides. Development of the area has been accomplished with transfer funds and grants from the Oregon Parks and Recreation Department and grants from Yamaha OHV Access Initiative. To improve stream channel stability and water quality, two OHV bridges have been constructed over fish-bearing streams.

The Astoria District is continuing maintenance and operation of Henry Rierson Spruce Run Campground, Northrup Creek Horse Camp, Gnat Creek Campground, and Lost Lake.

Surveys for threatened and endangered species continued on the district. No new activity centers were established for northern spotted owls during the 2010 survey season. The district has two active northern spotted owl home ranges. No new MMMAs were designated as a result of the 2010 surveys; there are currently twelve MMMAs on the District.



## Santiam State Forest— North Cascade District

The 47,000-acre Santiam State Forest is managed by the North Cascade District, consistent with the principles and strategies of the NW FMP, adopted in 2001 and revised in 2010. Recreation activities are developed and managed under the Santiam State Forest. Recreation Management Plan, adopted in 2006.

The economic downturn, decline in wood products demand, and drop in timber stumpage values, which caused ODF to take immediate steps to reduce

State Forests Program operating costs by approximately 40 percent through reduction of State Forests-funded personnel and reduction of non-revenue-producing activities, directly impacted the North Cascade District in FY 2010. The district made reductions by eliminating funding for some positions, curtailed trail and campsite development, and deferred non-critical road maintenance and forest management activities for the short-term. Staffing for timber sale layout and preparation was reduced, however the district's State Forests staff met or exceed their previously-established Annual Operations Plan targets for FY 2010.

The Oregon Department of Corrections' Mill Creek Inmate Crew located in Salem provided valuable assistance with labor to complete both recreation and reforestation activities on the Santiam State Forest.

In addition to timber sale revenues, the district issued 135 personal use firewood permits for revenues totaling \$1,350.



**A trail through the Santiam State Forest**

*Photo: Oregon Department of Forestry*



## Sun Pass and Gilchrist State Forests— Klamath-Lake District

The Klamath-Lake District manages 101,739 acres of forest lands, including the newest state forest, dedicated in June 2010 – the Gilchrist State Forest. The Gilchrist State Forest includes 43,000 acres of BOF lands and an additional 25,000 acres of adjacent forestland owned by Cascade Timberlands and the non-profit Conservation Fund. These additional lands are expected to be transferred to ODF over the next few years.

The next largest block of lands managed by the district is the Sun Pass State Forest at 21,317 acres. This forest is located 40 miles north of Klamath Falls, near the southeastern corner of Crater Lake National Park. Remaining state-owned land is scattered in a number of small parcels throughout the district, with the exception of two larger blocks of land tracts – Bear Valley and Yainax Butte.

These lands are all managed under the direction of the Eastern Region Long-Range Forest Management Plan, adopted in 1995. Of the state-owned acres managed by the district, the bulk – 69,913 acres – are BOF lands and 6,826 acres are CSFL.

### **Klamath Outdoor Science School**

State Forests' staff continued support of the Klamath Outdoor Science School (KOSS) to meet the long range plan goal of forest history and present day management interpretations. The primary strategy to achieve this goal is to provide youth, teachers, and parents with education about the working forest. During the year, KOSS provided forest science programs to 827 students and 59 teachers and chaperones at the school site in Sun Pass State Forest near Kimball State Park. KOSS applied for a permit for a septic system, built a pump house, installed pump and pressure tanks in the pump house, and installed a hose reel for fire protection. They also hired an executive director who has expanded the program to include in-school as well as satellite programs.

### **Sun Creek**



The Klamath-Lake District in partnership with ODFW, Crater Lake National Park, and USFWS is implementing a project to expand bull trout distribution downstream from Crater Lake National Park onto the State Forest portion of Sun Creek. This effort supports a USFWS Draft Recovery Plan for Bull Trout in the Klamath Basin. Re-establishing headwater populations and increasing downstream distributions of bull trout have been represented by USFWS and ODFW as the most important recovery actions for bull trout in the Klamath Basin.



*Photo: Oregon Department of Forestry*

**Sun Creek Falls on the Sun Pass State Forest**

The first action needed for this restoration project is to install two temporary barriers that will prevent upstream migration of non-native fish into the bull trout recovery reach but allow for down-stream migration of bull trout. The barriers can eventually be removed when bull trout have been established throughout Sun Creek and the threat from non-native fish has been mitigated. The partnership is currently designing the temporary barriers that will be installed in Sun Creek during the 2010 in-water working period (fall).

The removal of the non-native fish through a chemical treatment will take place above these barriers shortly after barrier construction is complete. This approach (installation of barriers and removal of non-native fish with chemical treatment) was used in the upstream portion of Sun Creek flowing through Crater Lake National Park, and has been declared a success with large increases in bull trout population and distribution within the park.

## **Forest Management and Habitat**



# Elliott State Forests— Coos District

## Conservation Plans

Planning for revision of the Elliott State Forest FMP and Habitat Conservation Plan (HCP) continued in FY 2010. The planning team consists of a policy steering committee, which includes representation from ODF, Department of State Lands, Department of Justice, ODFW, Coos County, the South Coast Education Service District, and a core team comprised of technical specialists from ODF and ODFW.



*Photo: Oregon Department of Forestry*

**Elliott State Forest**

The final draft of the Elliott State Forest FMP was completed by the planning team and made available for review and comment at public meetings in September 2005. In January and February 2006, the BOF and SLB approved continued development of the Elliott State Forest HCP consistent with the strategies in the draft Elliott State Forest FMP.

The draft Elliott State Forest HCP was completed in 2007 and an Environmental Impact Statement (EIS) contractor worked with ODF and the federal services to complete the public review draft EIS. The draft Elliott State Forest HCP EIS went out for a 90-day public review in August of 2008. The Elliott State Forest HCP strategies have been developed to minimize and mitigate the effects of authorized incidental take associated with forest management. The revised draft Elliott State Forest HCP includes the northern spotted owl,

marbled murrelet, coho salmon, and 13 other species at risk for listing that are known to, or could, inhabit the Elliott State Forest.

In early 2009, negotiations on the final Elliott State Forest HCP strategies resumed with the federal services in light of the public comments received on the draft Elliott State Forest HCP and EIS. USFWS and the National Marine Fisheries Service (NMFS) identified a number of substantive issues from the public comments



that they believed would require changes to the draft Elliott State Forest HCP. During 2009, ODF negotiated with the federal agencies on those issues and reached agreement on the most significant issues with USFWS, but not with NMFS.

The NMFS issues focused on the aquatic/riparian strategies that deal with stream temperature, in-stream wood delivery, potential sediment delivery to streams, roads management, identification and management of steep slope areas, and committing to specific watershed restoration activities as mitigation for harvest in upslope areas. ODF and NMFS do not share the same interpretation of the science involved with aquatic/riparian management and have not come to agreement that the Elliott State Forest aquatic/riparian strategies would achieve the results desired by both agencies.

Given that ODF and NMFS have not reached common ground on the science and outcomes from the proposed aquatic/riparian strategies in the revised HCP, the SLB and BOF directed ODF to:

1. Collaborate with the NMFS and the DSL to initiate an independent scientific review of aquatic/riparian management strategies to help resolve differing viewpoints on protecting streams and aquatic habitat. The target date for completing this review is October 2010 and the deadline for having resolution to the Elliott State Forest HCP is December 31, 2010.
2. Set a December 31, 2011, deadline for completing approval of a revised HCP that is acceptable to the ODF, DSL, USFWS and NMFS. If a new plan is not approved by this date, the 1995 Elliott State Forest HCP will be terminated and a take avoidance strategy will be implemented to protect threatened and endangered species on the forest.
3. Concurrent with the above, develop a revised Elliott State Forest FMP that would use take avoidance for management of threatened and endangered species on the Elliott State Forest, and have the revised plan in place by December 31, 2011, if a new Elliott State Forest HCP is not approved.

## **Marbled Murrelet Protocol Surveys**

In 2009, 734 surveys were completed at 492 stations, representing 81 survey sites on the Elliott State Forest. These 81 sites represented 20 planned timber sales. Detections of marbled murrelets were recorded during 114 surveys at 45 different sites with 14 surveys recording sub-canopy behavior. Of the surveys with significant, sub-canopy detections, all were associated with protocol surveys of eight planned sales.



Sub-canopy detections of marbled murrelets resulted in the creation of five new MMMA's totaling 106 acres.

In addition to five new MMMA's being created, a total of 19 acres were added to one existing MMMA from sub-canopy detections.

Seven sale units were released for sale preparation after no significant detections were observed within the sale area during protocol surveys. The 2009 surveys began May 1 and ended August 2.

## **Oregon Plan for Salmon and Watersheds**

The following activities were accomplished during FY 2010 under the Oregon Plan for Salmon and Watersheds:

- There were five sales completed during the reporting period where additional trees were retained along stream buffers under ODF Harvest Measure 62 for the Oregon Plan. Two of these sales included large wood placement along 1.5 miles of coho streams to improve fish habitat as part of the timber sale and another sale included 0.7 miles of road decommissioning.
- The Coos District cooperated with the Coos Watershed Association to complete one large in-stream wood placement project in Elk Creek and replaced three culverts on streams to improve adult and juvenile fish passage.
- The Coos District cooperated with ODFW to complete another in-stream wood placement project in Footlog Creek.
- Coos District continues to have voting board members on the Coos Watershed Association and the Tenmile Lakes Basin Partnership



# Forest Trust Land Advisory Committee



In 1987, the Oregon Legislature established the FTLAC, consisting of seven county commissioners who represent counties that in the past deeded forestlands to the state. The committee advises the governing BOF on matters where counties may have a responsibility related to forestland managed by ODF. Revenue generated from management activities on these lands is used primarily for local schools, and also helps fund county government and local taxing districts. Counties with forest trust lands include Benton, Clackamas, Clatsop, Columbia, Coos, Douglas, Josephine, Klamath, Lane, Lincoln, Linn, Marion, Polk, Tillamook and Washington.

## Board of Forestry

### **Northwest and Southwest Forest Management Plans**

Throughout the year the State Forests Division informed the FTLAC about policy recommendations and BOF decisions relevant to counties. On April 22, 2010, the Board approved revision of the NW and SW FMPs to better balance social, economic, and environmental benefits. This process included two public hearings and a public comment period. Revisions to the NW plan will affect approximately 630,000 acres of forestland located in the Tillamook, Clatsop, and Santiam state forests, and scattered tracts in Polk, Benton, Lincoln, and Lane counties. The previous plan's target was to achieve 20 percent older forests in 20 years. With the revised plan, the forests are expected to reach 30 percent older forests in 80 years. The revised plan sets a long-term goal to develop older forest conditions on 30-50 percent of the landscape, a reduction from the previous 40-60 percent



of the landscape. Changes to the SW FMP affect approximately 18,000 acres of scattered tracts located in southwest Oregon.



*Photo: Oregon Department of Forestry*

**A layered stand in the Clatsop State Forest**

Clatsop County Commissioner, and FTLAC Vice-Chair, Patricia Roberts attended a public hearing and voiced support for the changes, highlighting the benefits to Clatsop County. Tillamook County Commissioner, and FTLAC Chair, Tim Josi submitted a letter of support but didn't consider that the revised NW FMP would get the most value out of the lands.

## **GPV and Planning Rule Review (629-035-0020-0030)**

Rules that define “greatest permanent value” (GPV) and forest management planning are being reviewed by the BOF. The GPV rule seeks a full range of benefits, incorporating social, economic, and environmental values, for state-managed forests. ODF staff and other parties, including the Council of Forest Trust Land Counties and a Public Advisory Committee (PAC), provided input regarding rule concepts and the GPV to the BOF. A GPV narrative will be presented to the Board for review in November 2010. The Board will also begin reviewing the planning rule later in 2010.

At the April 9, 2010 FTLAC meeting, Dave Ivanoff of Hampton Tree Farms, who was a member of the PAC, presented a hypothetical harvest model projecting higher revenues that he said would result if state lands were managed similar to private lands. The FTLAC passed a motion requesting that Chair Josi submit a letter to the Board supporting Mr. Ivanoff's conclusions.



## **Gilchrist Forest Acquisition**

The BOF approved acquisition of about 43,000 acres in the Gilchrist tract in Klamath County. Funding for the acquisition was found through a 20 year Lottery bond. ODF envisions managing the forest much as the Sun Pass Forest is managed. The Gilchrist State Forest consists mostly of ponderosa and lodgepole pine with an average age class of 15-20 years old. ODF is exploring a pilot project using carbon credits to help fund acquisition of a second Gilchrist parcel.

On June 11, 2010, Governor Kulongoski attended the dedication of the Gilchrist forest. The counties were thanked for supporting this exciting acquisition for Oregon's State Forests system.

## **Coalition for Oregon Forests Funding**

At its April 2010 meeting, the BOF authorized a recommendation to explore alternative funding for ODF. The Coalition for Oregon Forests was formed to address this issue. Douglas County Commissioner Susan Morgan represented the FTLAC as a member of the Coalition. Although the focus is primarily on funding for the Fire Protection and Private Forests programs, there may be some State Forests interests. The timeline projects that recommendations will be drafted by November 2010.

## **Legislative Initiatives**

### **Alternative Energy**

The Tillamook and Clatsop state forests, as well as the Elliott State Forest, are designated by the Oregon Department of Energy as areas with the potential to develop wind energy. In October 2009, the FTLAC had expressed support to explore alternative energy options. A Legislative Concept (LC604) allowing ODF authority to develop wind energy on its land was drafted. In July 2010, the BOF decided not to explore the wind energy initiative at this time.

### **Establishing Conservation Areas**

This concept is in an early stage of consideration.



## Revenue Projections and Economic Situation

The January 2010 revenue forecast reflected that market conditions had stabilized since July 2009. Timber sales were selling at about 23 percent above what was expected.

At the February 19, 2010 FTLAC meeting, Gary Lettman, ODF Forest Economist, presented indicators of economic recovery that could impact the timber market. Recovery is slow, but there was an increase in lumber and panel prices. Log prices were increasing but there wasn't recovery yet in the housing market.

## Legislative Special Session

During the 2010 special session, several bills were introduced that could affect counties and forest trust lands:

- HB 3633 set requirements for wind energy and other renewables in meeting state goals. Passed.
- HB 3648 placed limits on counties' authority to add land for urban reserves. Failed.
- SB 3673 changed law on immunity granting access for recreation, wood cutting, etc. Passed.
- SB 1030 extended timber sale contracts. Failed.

## Other Issues of Interest

### Stimulus Funds

ODF acquired \$4.7 million in ARRA funding. About \$2.5 million is being used for fuel reduction; the remaining \$2.2 million will focus



on forest health associated with pre-commercial thinning, SNC, and invasive plants. ODF has three years to administer the funds.

## **Reductions in Research and Monitoring:**

The Trask Watershed Study has maintained some funding. A proposal requesting \$40,000 to supplement work to be completed in 2010-2011 is being pursued with the Bureau of Land Management to secure Title 2 funds in Yamhill, Tillamook, and Lincoln counties. The FTLAC passed a motion requesting Chair Josi approach the Bureau of Land Management and the US Forest Service to show support for the proposal.

## **Elliot State Forest**

ODF did not come to agreement on the HCP with NMFS. In collaboration with NMFS, the Department of State Lands and ODF will initiate an independent scientific review of aquatic/riparian management strategies.

## **FTLAC Members**

Tim Josi, Chair  
Tillamook County Commissioner

Susan Morgan  
Douglas County Commissioner

Patricia Roberts, Vice-Chair  
Clatsop County Commissioner

Mike Propes  
Polk County Commissioner

Anthony Hyde  
Columbia County Commissioner

Faye Stewart  
Lane County Commissioner

Chuck Hurliman  
Tillamook County Commissioner





# Appendix A

**Table A.1. Acres of Board of Forestry Lands  
Effective June 30, 2010**

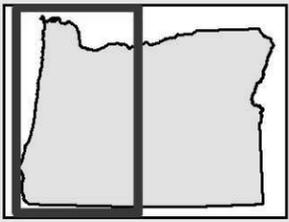
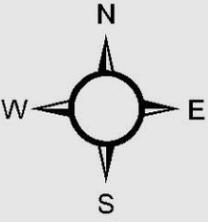
<b>COUNTY</b>	<b>STATE FOREST ACRES</b>
BENTON	8,194
CLACKAMAS	7,266
CLATSOP	147,013
COLUMBIA	6,459
COOS	7,220
DOUGLAS	8,625
JOSEPHINE	2,482
KLAMATH	67,083
LANE	24,734
LINCOLN	15,488
LINN	21,357
MARION	18,329
POLK	6,122
TILLAMOOK	310,624
WASHINGTON	46,886
<b>TOTAL:</b>	<b>697,883</b>







# Oregon State Board of Forestry Lands



**OREGON**

Department of Forestry

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