

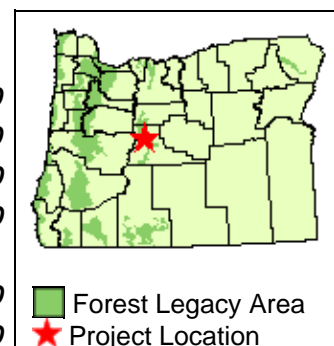


Forest Legacy Project

Skyline Forest, Bend (Deschutes County), Oregon

FUNDING HISTORY

<i>Forest Legacy Program FY 2010 Funding</i>	\$ 2,500,000
<i>FY 2010 Non-Federal Cost Share</i>	\$ 7,520,000
<i>FY 2010 Project Costs</i>	\$ 10,000,000
<i>FY 2010 Project Acres</i>	14,000
<i>Forest Legacy Funding to Date</i>	\$ 4,000,000
<i>Total Project Costs</i>	\$ 20,000,000
<i>Total Project Acres</i>	28,000



<i>Tract Name</i>	<i>Size (acres)</i>	<i>Tract Cost</i>	<i>FLP Funding</i>	<i>Non-Fed Cost Share</i>	<i>Status</i>
Phase 1	14,000	\$ 10,000,000	\$ 1,500,000	\$ 7,500,000	Funded 2009
			\$ 1,000,000		President's Request 2009
Phase II	14,000	\$ 10,000,000	\$ 2,500,000	\$ 7,520,000	Funded 2010
Total	28,000	\$ 20,000,000	\$ 5,000,000	\$ 15,020,000	

General Description – This 2 phase project seeks to conserve 28,000 acres of prime Ponderosa pine forestland that has a high likelihood of being auctioned off in smaller parcels. This property, known as the Skyline Forest, is adjacent to Bend, OR, adjacent to the Deschutes NF along the western and most eastern boundary. Bend is one of the fastest growing areas in the nation having seen its population triple since 1980 with expectations that it will double again by 2025. Skyline has provided forest products, wildlife habitat, and local access for over 80 years. Skyline’s previous owner, however, filed for bankruptcy in 2004 and their creditors formed Cascade Timberlands (CT) to auction off the forest assets. The Deschutes Land Trust (DLT) and CT have agreed that CT will retain 5,000 in fee ownership of which they will develop 1,500 ac of it. Upon receiving entitlements, they will contribute 28,000 acres to the DLT. This project would allow the DLT to sell an easement on the 28,000 acres to the ODFW with the proceeds being used to fund a management endowment and/or pay the seller if required. A stewardship plan for the property would provide sustainable forest management for wildlife habitat, timber, recreation, and viewshed protection.

PROJECT FEATURES

Important:

- A) Maintain inherent ecological attributes associated with one 28,000 acre block of ponderosa pine forestland that is adjacent to the Deschutes National Forest and threatened by fragmentation.
- B) Protect the majority of the largest remaining private block of critical low elevation mule deer winter range and migration corridor as identified by the ODFW as essential to the

long-term viability of the Tumalo mule deer herd(2,200).

- C)Restore and create habitat for several USFWS listed species of concern, identified in USFWS EIS &OR Breeding Bird Atlas: olive-sided &willow flycatchers, northern goshawk, Lewis' &white-headed woodpeckers, pallid and Townsend's big-eared bats.
- D)FLP investment of \$89/per acre leverages contribution that is estimated to be in the \$1000/acre range.
- E)Public access will be provided throughout the property as guided by a management plan that addresses issues such as closures related to timber harvest and deer winter range.
- F)Located approximately 2 to 15 miles from the city of Bend and communities of Redmond and Sisters, OR, Skyline forest serves as the scenic viewshed for central Oregon's residents and growing tourism industry. See photos
- G)Build avg. annual harvest from approximately 200 mbf/year up to 7.26mbf/year (likely be less to meet other silvicultural objectives) over a 60 year period to supply regional mills that have been impacted by an 85% reduction in Federal timber harvest.
- H)Skyline is the site of Oregon's largest mountain bike race and has seen significant growth by local recreational mountain bikers as neighboring public lands become more crowded.
- I)Skyline has long served as an informal, but heavily used equestrian trail system. The property has been identified in statewide equestrian trail guides and Sisters Area Trails Plan.
- J)Public access for hunting would be enhanced in a region where private lands are increasingly fragmented and or closed to public hunting.
- K)Protection of Skyline would help protect at least one published cultural site (Pictographs &Petroglyphs of the Oregon Country, Loring &Loring, 1965) with the possibility of additional sites that would be surveyed under DLT ownership.
- L)Protects potential habitat for Canada lynx, US Fish and Wildlife threatened species, per the Final EIS to the USDA Forest Service-Crown Pacific Land Exchange Project.
- M)Restore late-successional Ponderosa Pine ecosystem that have been over-harvested on a shelterwood basis.

Threatened:

- A)CT had intended to auction off Skyline in at least four parcels before they decided to enter into the agreement with the DLT. The DLT believes that such auction will move forward if it cannot close on the agreement within the next two years.



- B) Consolidate, either formally or informally, multiple Legal Lots of Record that would otherwise be developable.
- C) Bend, Oregon is the 4th fastest growing community in the country according to the US Census Bureau with its population having tripled from 18,000 in 1980 to nearly 60,000 in 2000.
- D) According to Deschutes County Community Dev. Dept., the population of Deschutes County, within which Bend is located, has grown from 75,000 in 1990 to 131,500 in 2004. The county's population is expected to grow to 245,700 by 2025.
- E1) Skyline is located adjacent to the cities of Bend and Sisters (See map)
- E2) As these communities continue their explosive growth, increased market demand for exurban residential development can be expected to accelerate the fragmentation of large forested parcels such as Skyline.
- F1) At the request of the development community, Deschutes County Commissioners and Planners are beginning to discuss the expansion of the Statewide Planning Goal #8 Destination Resort Overlay.
- F2) This will likely increase the amount of land eligible for destination resort sitting.
- G1) The Oregon Department of Forestry identified these lands as threatened and is working in partnership with the DLT to protect Skyline and Gilchrist Tree farm, south of Bend.
- G2) While this law does not directly affect Skyline at this time, the threat that the states laws could be further weakened is real.
- H) Along Skyline's SE and NE boundary are lands zoned F-1 which can be divided into 240ac parcels for single family residents. Pressure for parceling Skyline to meet the demand for high-end parcels and homes is expected to grow according to Deschutes CO.

Strategic:

- A1) Skyline meets the original purposes identified in the Northern Forest Lands Study and Forest Legacy Program legislation that targets large acreages threatened by conversion to non-forest uses.
- A2) Conservation will provide habitat to sustain wildlife species diversity, richness, and connectivity while protecting the last large private block of critical low elevation winter deer range and migration corridor from further development and fragmentation (ODWF Plan).
- B) Skyline and the silviculture that will be implemented will focus on providing a buffer between the national forests and greater Bend areas for purposes of managing the urban/rural fire interface.
- D) Broad public interest in conserving Skyline resulted in a presentation of a petition with 2,600 signatures and testimony from business, recreation, environmental and timber interests urging the Deschutes County Commissioners to create the country's 1st Community Forest Authority.
- E) Conservation of Skyline would prevent portions of the Deschutes National Forest and BLM from being isolated from their main blocks as Skyline would be managed to complement the resources and uses of the adjacent public lands.
- F) The Skyline acquisition will dramatically expand the Trust's conservation education (Community Preserves) program which conserves special places as a venue for low impact recreational and educational use by the public.
- G) Skyline conservation will control the proliferation of new residences within the forest that require

structure protection from wildfire and will allow local agencies to jointly plan and coordinate urban/wildland interface fuels and fire management activities with the Trust.

- H) Skyline provides a unique opportunity to extend and link regional recreational trails and has been identified as a priority for the Bend 2030 Vision public planning effort, which was sponsored by the City of Bend.
- I) Deschutes County has created the country's first Community Forest Authority (CFA) which will, if required, allow the Trust to borrow funds backed by sustainable timber revenue bonds to help acquire the property.
- J) The Trust will implement a forestry regime that restores high-graded and over-harvested portions of the property and creates late successional habitat over time.
- K) Skyline is an ideal location for demonstrating sustainable forest management by a private community based organization
- L) The accessibility of Skyline makes it particularly appealing for use by local schools and the DLT has had preliminary discussions with the universities of Oregon and Oregon State, along with Central Oregon Community College related to creating a research forest within Skyline.
- M) Skyline is a critical component of a coordinated effort by DLT, ODF, Oregon Department of Land Conservation (ODLC) and others to protect nearly 270,000 acres of forest land in central Oregon.

Ready:

- A) The landowner and Trust have signed a letter of intent that provides that the property will be contributed in some form when entitlements to the 1,500 acres are approved. Such approval is expected in 2009.
- B) The landowner is not willing to fund a management endowment. Therefore, by selling an easement, the DLT receives funds for such purposes and the State receives a permanent easement for approximately 25% of the property's value.
- C) The Trust has completed a timber and development valuation of the property that is structured to be turned into an appraisal at close.
- D) The CFA is prepared to serve as a conduit issuer for the DLT. As such it can issue \$4 to \$6 million in timber backed bonds which would cover approximately 25% to 30% of the expected purchase price if the property is eventually auctioned.
- E) The DLT has commissioned a capital campaign feasibility study and is prepared to initiate a capital campaign amongst local and regional supporters should the property go to auction.
- F) The DLT has undertaken preliminary PAR analysis for the property and will refine the analysis once a management plan is developed prior to closing.
- G) The property have been divided into two equal areas of 14,000 acres each for phasing. This project is the first Phase, pending resolution of the FY 2009 Budget
- Supporting parties include: 2030 Vision Oregon Dept. of Forestry, City of Bend, Deschutes County Commissioners, Deschutes Land Trust (DLT), Deschutes National Forest (DNF), Ochoco Lumber Company and Oregon Department of Fish and Wildlife (ODFW)

For more information on the Forest Legacy Program, contact:

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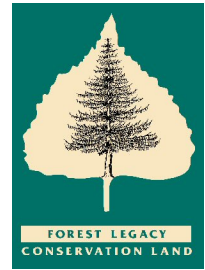
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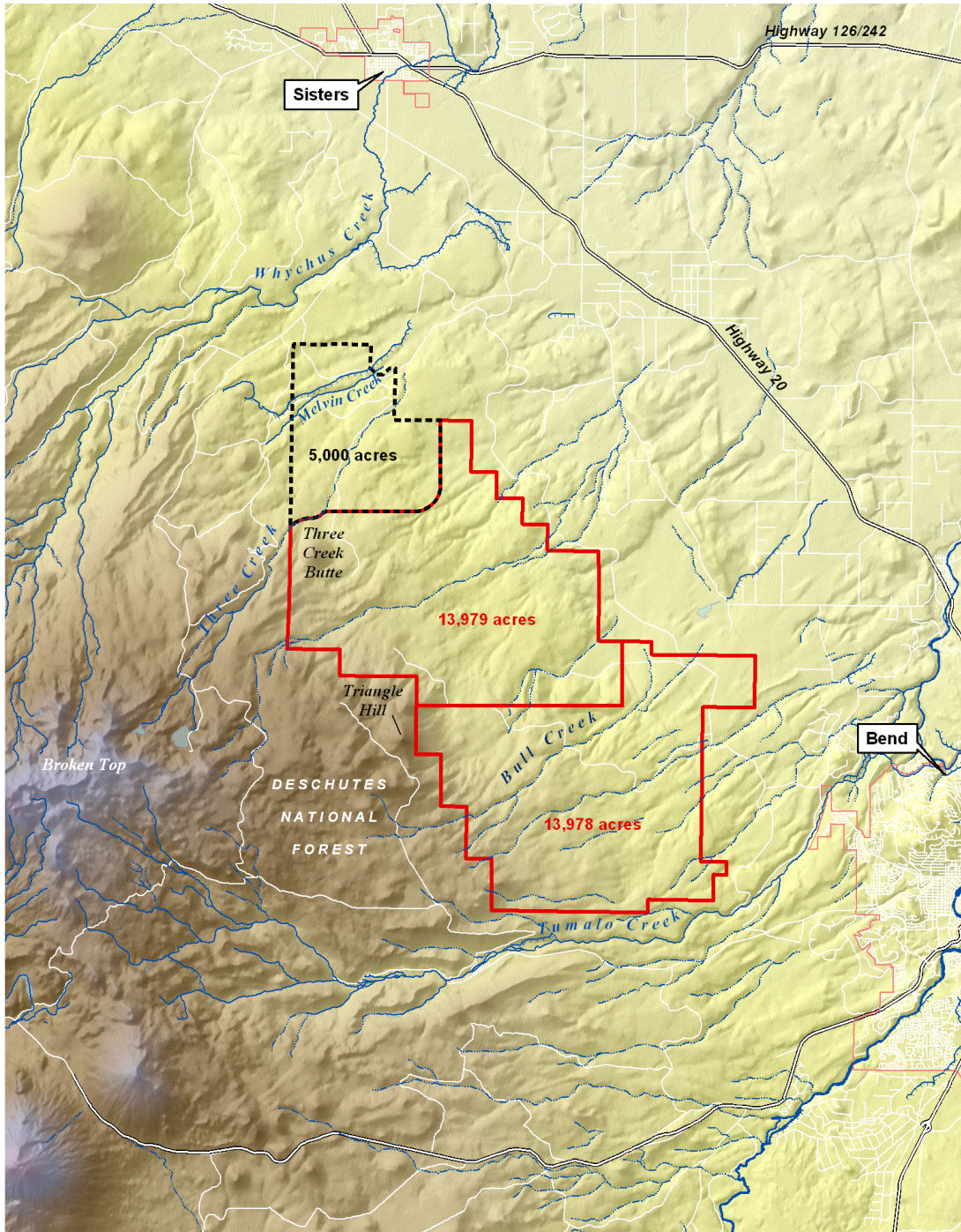
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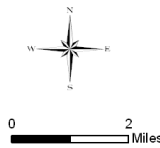


Skyline Forest (Bull Springs Tree Farm)



Source:
 Natl Geog. 1:24k TOPO
 USFS Streams data

Map by D. Ounilan, 1/09/08, crpac_elevation_lots_010908.mxd



 Proposed parcel to be retained by Fidelity National Financial

 Proposed Skyline Forest parcels

 City Boundary

Streams

— Perennial

— Intermittent

— Canal-Aqueduct / Ditch

Highway

Streets

Lakes

Elevation (approx)

2850 ft

10,100 ft

