Forest Trust Land Advisory Committee Meeting
Oregon Department of Forestry, 2600 State Street
Bldg. D, Santiam Room, Salem
February 22, 2013
9:30 a.m. – 12:00 p.m.
Minutes

Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and distributed to persons on the mailing list of the committee and the members of the committee, a regular meeting of the Forest Trust Land Advisory Committee (FTLAC) was held at the Department of Forestry in Salem, Oregon.

Present Committee Members: Tim Josi, Tillamook County Commissioner, Chair; Jim Bernard, Clackamas County Commissioner, Co-Chair; Annabelle Jaramillo, Benton County Commissioner; Faye Stewart, Lane County Commissioner; Dirk Rohne, Clatsop County Commissioner (for Scott Lee, Clatsop County Commissioner)

Present Department Staff: Paul Bell, Deputy State Forester; Mike Bordelon, State Forests Division Chief; Mary Schmelz, Office Manager, Public Affairs; Mike Totey, West Oregon District Forester; Dan Goody, Tillamook District Forester; John Barnes, Policy and Planning Specialist, State Forests; Dave Lorenz, Southern Oregon Area Director; Andy White, NW Oregon Area Director; Steve Wilson, North Cascade District Forester; Don Everingham, NWOA Assistant to Area Director; Tom Savage, Astoria District Forester; Kevin Boyd, Log Accountability Specialist, State Forests Program; Ed Deblander, Asset Manager, State Forests Program

Present Others: Gary Springer, Starker Forests and Board of Forestry member; Mark Rasmussen, Mason, Bruce and Girard; Gil Ridell, County of Forest Trust Lands; Bob Van Dyk, North Coast State Forests Coalition and Wild Salmon Center; Chris Jarmer, Oregon Forest Industries Council; Ralph Saperstein, Boise Cascade and Douglas Timber Operators; Rob Freres, Freres Lumber Company; Don Goldberg, Trust for Public Land

October 19, 2012 Minutes

Motion to approve minutes: Jim Bernard. Second: Tim Josi. All in favor. Minutes approved.

Board Sub-committee on Financial Viability

About one year ago, a committee formed to explore options that would create financial sustainability and viability in the Forest Development (operating) Fund. An expert panel provided advice on that committee’s recommendations. Short and long term options to improve the fund’s financial viability were presented to the Board of Forestry in July, 2012. Chair Imeson asked that more time be spent to fully understand the report and the role of the board versus the role of the agency, particularly regarding authority. A board subcommittee was formed to frame up alternative revenue opportunities and consider county and other stakeholder feedback. This work will lead directly to exploring alternative management plans. The subcommittee will make a recommendation to the full board at the June 5, 2013 board meeting.

Chair Josi commented that he supported Tom Imeson’s due diligence as the new Board of Forestry Chair, taking additional time to fully vet this issue.

Public Comment

Don Goldberg, Trust for Public Land, shared with the FTLAC that the Trust for Public Land has worked on land exchanges nationwide. He said that his company has been engaged in Oregon and could help the agency work through the complexity of land exchanges, particularly the nuances of exchanging between different ownerships and agencies.
He shared that he has 25 years of experience facilitating land exchanges and offered Trust for Public Land participation in state land exchanges that could be done at no cost to the state.

Chair Josi commented that the Trust for Public Land is the “white hat” in environmental organizations.

Mike Bordelon said he appreciated Mr. Goldberg’s comments, but at this time the priority for land exchanges is low due to financial challenges in the State Forests Program. He said the department may consider utilizing an organization such as Trust for Public Land in the future to facilitate land exchanges.

Rob Freres, Freres Lumber, shared ideas on cost control from a purchaser’s perspective. He suggested that the agency consider selling timber on weight or volume lump sum because it would be less discriminatory, fairer, and the state would receive more money. Using Scribner scale, if companies cut timber on shorter length it puts some manufactures, such as veneer manufacturers, at a disadvantage.

Mr. Freres suggested having oral auctions rather than sealed bids to generate more money. Reducing bonding amounts would be beneficial; other public agencies have $500,000 limit on bonding, whereas the state’s bonding is unlimited. Contract clauses could make sales more attractive: 1) more roads rocked would allow operations to continue year round; 2) extension clauses could be addressed to give more flexibility to larger sales which take more time to complete. He encouraged the department to sell an equal volume of timber per quarter, selling evenly throughout the year to average the market. This practice would enhance community stability. He suggested planting more regeneration and heavier volume thinning to lower costs. He said PERS benefits for firefighting were an additional cost to agency; this needs to be addressed. He said that years ago an auditor of the Common School Fund suggested that real estate investments in the Common School Fund weren’t a good idea. He suggested that the state should consider selling the Elliott State Forest and using the cash as an investment for the beneficiaries. He commented that the public passed a log export ban about one year ago, now there is substitution of exporting private timber while continuing to buy state timber, which should discontinue.

Dan Goody responded that when the agency sold tonnage sales it received negative feedback from a majority of purchasers. Also, lump sum sales don’t work for the state since many state sales use commercial thinning and partial cuts.

**Land Exchange and Acquisition Plans**

Guidelines

ORS 530.040 regarding land exchanges states that “(1) It is desirable that lands acquired under the provisions of ORS 530.010 shall be consolidated in areas wherever possible through exchanges of land. It is recognized that the management of state forests will be more economically feasible through such consolidation.”

Three further principles must be met before a land exchange plan advances. A land exchange should:

1) Further the purposes of the acquisition of lands
2) Further GPV (Greatest Permanent Value)
3) Consolidate lands

The *administrative rule* outlines how acquisitions and land exchange plans demonstrate that they meet the above three principles.
Land Exchange Plan Approval Process

Once there is agreement between partners, the following steps move the plan through the approval process:

- It is determined whether the plan is in the state’s interest
- A pre-selection analysis report is prepared
- The plan is routed through the agency's internal approvals
- Information gathering
- Third party appraisal (e.g., biological assessment, recreation assessment)
- Public hearing in county/counties where exchange occurs
- County approval
- Board of Forestry final approval

West Oregon land exchange

The West Oregon district currently has an approved exchange plan that is getting updated due to changes 1) within the past two years, including a 2,000 acre per landowner exchange across three counties; 2) the Department of State Lands has decertified and sold several scattered parcels in the district. West Oregon has a fairly scattered land base, so land exchanges are important to improving economic efficiency and public land access.

Astoria District land exchange

In 2008 the West Oregon and Astoria districts presented exchange plans to the board. The Clatsop State Forest had scattered land ownership, so the Astoria district sought an exchange plan to help landowners clearly understand the area's landownership and to further ownership consolidation. The current plan is still relevant; most updates would simply be housekeeping. However, since 2009 there have been some changes to the board, so it is a good time to review the exchange plan and consider further exchanges that may be beneficial.

Bob Van Dyk asked if he could make a comment; Chair Josi said he could comment on this item. Mr. Van Dyk stated that the North Coast State Forests Coalition appreciated a chance to review the plan and that the board’s delay gave the coalition time to get an understanding of concerns (e.g., Columbia River waterfront within an exchange). He said he’d like to see the plan reflect the desire for certain parcels to focus on a conservation management approach.

Continued work on Conservation Areas

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Continued work on Conservation Areas

Public Hearings

Public hearings for rulemaking are scheduled for March 12th (Cannon Beach) and March 13th (Hillsboro). The public comment period ends April 5. The agency has begun to receive written comments, primarily through efforts from the North Coast State Forests Coalition. In summary, the message received at this point is that “the language is a good start”. This was the intent of tier one in the process, i.e., to make conservation areas more visible. Issues of durability will be considered at future discussions about alternative strategies within the Forest Management Plan (FMP).

Following the public hearings and hearings report, final rule language will be drafted and considered by the board at the June 2013 meeting. If approved, the rule will be filed with the Secretary of State and be final.

Tim Josi stated that the counties’ concern is that the trust not be violated. He said management scenarios arising at the discretion of the State Forester build some flexibility that facilitates county receptiveness.
Legislative Session

Legislation of significant interest to State Forests

Kevin Boyd

Paul Bell noted that state agencies remain neutral on all bills unless the legislation is their own. However, there is a process to make a case on supporting or opposing a bill.

**HB 2321 (SB 476)** is a companion bill: Directs agencies executive departments to take actions to protect the environment. This bill creates a state NEPA compliance process. If passed, this could put sales at risk of lawsuits and require Environmental Impact Statements (EIS). The agency is consulting with Washington DNR to further understand the fiscal impact of the EIS requirement.

**ACTIONS:** Inform Chair Josi when either bill is scheduled for a hearing.

Chair Josi commented that federal forest harvest levels dropped by over 90% after similar legislation affecting federal lands passed. He said that if this legislation passes, it could significantly impede state forest timber harvests.

**SB 357:** Policy direction for management of state forest lands. Directs board to modify state forest management plans. This bill would amend the Forest Practices Act (FPA) to allow annual timber harvest to average 90% of annual harvest on state forests. FMP’s would need to be modified within a year of passage. The department estimates that the current harvest levels designed to achieve a wide range of economic, social and environmental goals achieve approximately 70% of the harvest goals under FPA constraints.

**ACTIONS:** Inform Chair Josi of scheduled hearings on this bill

**HB 2023:** Requires that agencies notify ODF&W at least one week prior to implementing a restriction when public access is restricted. The bill would have minor impact to state forest management, but could have a high impact on fire prevention.

Other Agency bills

**HB 2050:** The Wildfire Protection Act (a department bill). Readjusts the current fire spending to put more resources upfront for initial attack. Includes $1.6 million biennially in General Funds to offset fire protection costs on eastside lands where fire protection rates are highest.

**HB 2051:** Harvest tax bill relating to funding Forest Practices, research, and large fire costs.

**HB 2595:** Criminal protection against those who cause damage to contractors on state forests. **HB 2596** is a companion bill to HB 2595. Scheduled for a hearing on March 5th.

**SB 31:** Department bill that cleans up language in the forestland classification statutes about serving on committees.

**ROUNDTABLE:**
Chair Josi was going to ask Commissioner Hyde to speak about the Task Force on O and C lands, but Commissioner Hyde was unable to attend today’s meeting. Gil Riddell commented that that committee did not reach agreement.

_Adjourn_
Meeting Materials

- *Board of Forestry Subcommittee on State Forests Financial Viability | Scope and Direction*, Memorandum, Tom Imeson, January 30, 2013
- *Astoria District Land Acquisition and Exchange Plan Update, West Oregon District Land Acquisition and Exchange Plan Update*, Board of Forestry Staff Report, March 6, 2013
- *Department of Forestry Legislative Tracking Report*, February 14, 2013
- *State Forests (Legislative) Bill Summary*, February 22, 2013
- *& C Trust Lands Proposal*, Senator Herman Baertschiger