

Agenda Item No.:	8
Work Plan:	State Forests Work Plan
Topic:	Elliott Land Transfer
Presentation Title:	Update on DSL's Elliott Land Transfer Process
Date of Presentation:	March 9, 2016
Contact Information:	Liz Dent, State Forests Division Chief (503) 945-7351 Liz.F.Dent@Oregon.gov John Tokarczyk, Policy Analyst (503) 945-7414 John.A.TOKARCZYK@oregon.gov

CONTEXT

The purpose of this agenda item is to provide an overview and update on the Elliott State Forest transfer opportunity, and provide context for the Oregon Department of Forestry's (ODF) participation and engagement in the transfer process.

BACKGROUND

The Elliott ownership transfer opportunity is the outcome of the Elliott State Forest Alternatives Project, an in-depth analysis of Elliott alternatives as a response to reduced revenues. A transfer is expected to compensate the Common School Fund for fair market value of the land. As part of the decision to transfer ownership, a purchase protocol was developed by the Department of State Lands for the State Land Board in connection with an offer of direct sale of the Elliott State Forest. The protocol includes multiple elements that a responsive purchase plan must include to be considered. Protocol elements include:

- A. Purchase of the Elliott Property must be at fair market value (the sales price determined by an independent appraisal process) in an all-cash closing;
- B. The plan must be for the acquisition of the entire Elliott Property;
- C. The plan must be made by a person/entity with authority to accept an offer of direct sale;
- D. The plan must include commitments with enforceable mechanisms to protect enhanced public benefits above and beyond those provided for under federal, state, and local law, specifically (and at a minimum):
 - a. Conserving public recreational access on at least 50% of the acreage;
 - b. Conserving the economic benefits by ensuring for a period totaling 10 years at least 40 direct and indirect full-time jobs (or their equivalent);
 - c. Conserving older forest stands by protecting from harvest at least 25% of the acreage; and
 - d. Conserving high quality watersheds by providing riparian management areas of 120 feet or more on both sides of all fishbearing stream segments.

E. The plan must be without any contingencies for the benefit of the transferee.

The Department of State Lands anticipates the potential for a consortium of parties to be an outcome for transfer and has set a series of meetings and events to bring parties together as well as provide transfer protocol clarification.

The first mandatory Elliott Opportunity participant meeting was held January 28, 2016. The next event will be the April release of timber valuations based on independent timber cruises. These values will be utilized in establishing the fair market value which will be announced July 27, 2016. Proposed acquisition plans will be due to the Department of State Lands November 15, 2016.

If no “responsive” acquisition plans are received, the Department of State Lands will defer to the State Land Board to determine a new course of action.

NEXT STEPS

ODF is coordinating with the Department of State Lands to advance the transfer process. This includes consideration of ODF needs related to continued operation of the Board of Forestry lands located within the Elliott State Forest as well as other Department of State Land concerns related to transfer to a new ownership.

In addition to continued response to transfer support requests, ODF will continue to participate in the transfer protocol process as an interested stakeholder and be party to conversations with other interested parties.

RECOMMENDATION

Beyond coordination with the Department of State Lands to support the transfer, remaining engaged with the protocol process and available to interested parties provides the ODF an opportunity for outreach and engagement with a range of stakeholders.

ATTACHMENTS

- 1) Elliott State Forest January 28, 2016 Participant Meeting Packet
- 2) Elliott State Forest Opportunity Participant List