



# Oregon

Kate Brown, Governor

## Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

[www.oregon.gov/dsl](http://www.oregon.gov/dsl)

### State Land Board

Kate Brown

Governor

## M E M O R A N D U M

Dennis Richardson

Secretary of State

August 3, 2017

Tobias Read

State Treasurer

**To:** Governor Kate Brown.  
Secretary of State Dennis Richardson  
State Treasurer Tobias Read

**From:** Jim Paul, Director

**Subject:** Elliott Public Ownership Project

State Land Board,

The purpose of this memo is to provide you with an update on the status of the Elliott Public Ownership Project. As you know, the Elliott State Forest is made up primarily of lands owned by Oregon's Common School Fund. These lands are unique because they represent the federal government's contribution to our public school system at statehood, and are managed for the primary benefit of K-12 schools.

At the Land Board's May 9, 2017 meeting, direction was given to the Department of State Lands to move forward with developing a public ownership option that:

1. Advances public ownership of the Elliott State Forest;
2. Decouples the forest from the Common School Fund, either through a trust land transfer or other financial means;
3. Continues habitat conservation planning to protect species and allow for harvest off the forest; and,
4. Conducts further research into Treasurer Read's concept, which includes an option for Oregon State University to potentially purchase the Forest in the future.

Following the May 9 meeting, the Department submitted a supplemental budget request to the Legislature to secure resources that would support the work needed to implement this direction.

As result of this request, and the Governor's Office engagement with the Legislature, the following budget items were approved by the close of the 2017 legislative session:


- \$100 million in bond proceeds approved "to finance the release of all or a portion of the Elliott forest from restrictions resulting from ownership of that forest by the Common School Fund, or to compensate the Common School Fund for the preservation of noneconomic benefits of the forest through the imposition, transfer or sale of restrictions such as easements, use requirements or restrictions, or other methods that preserve noneconomic benefits of the forest for the public such as recreation, aesthetics, wildlife or habitat preservation or other environmental and quality of life considerations."
- \$1.5 million in Common School Fund budget limitation to support the development of a federal Habitat Conservation Plan and associated work in the 2017-2019 biennium.
- Approval of a DSL Project Manager position (\$268,447), a portion of which is allocated towards assisting in the Elliott public ownership project work.
- Spending authority for a custodial management contract (\$1,608,930) and fire protection assessments (\$608,000), to ensure the Elliott is taken care of while the public ownership option is being advanced.

Over the course of the next few months the Department will begin implementation of the Elliott Public Ownership Project. This will include communicating with the Legislative Fiscal Office and other state agencies to clarify bonding processes and procedures, and state agencies roles; and to clarify details of the \$100 million bonding and how it will translate into specific habitat protections it is being directed towards. The bonding process and structure will need to be completed by the spring of 2019 when the bonds will be issued, and the \$100 million in bond proceeds will be directed into the Common School Fund.

Concurrent with this work, the Department will be determining the pathway for ensuring public ownership of the Elliott and the future management structure of the forest. This will potentially include collaboration with Oregon State University, sovereign tribal governments, and other state agencies and stakeholders, consistent with the Land Board direction.

The Department is currently going through the recruitment process for the Project Manager position referenced above. Once filled, a portion of the position will be focused on the Habitat Conservation Plan development work and the associated coordination with other state agencies, federal agencies, and stakeholders.

As the Department proceeds with this work the Land Board will be overseeing these discussions and any actions as needed. The Department also anticipates providing informational updates periodically on the status of the project at future Land Board meetings.



Jim Paul  
DSL Director