

John Day Basin Area Plan

February 2014



Common School Fund Property



*Prepared by Real Property Section
Oregon Department of State Lands*

John Day Basin Area Plan

The JDBAP has moved in a different direction from the previous land management plans. While significant evaluation of each parcel has been documented in Department of State Land files, this plan document is a brief summary and takes its general direction from the Real Estate Asset Management Plan (REAMP) adopted by the Land Board in February 2012.

The REAMP establishes management direction for Common School Fund (CSF) lands, as well as statutory lands (e.g. waterways), and provides the following strategic direction:

- Provide a clear commitment to create a consistent and growing stream of revenue to increase annual distributions to schools.
- Recognize the need to balance revenue enhancement and resource stewardship.
- Rebalance the portfolio and create reinvestment capital through acquiring assets with high performance potential and strategically disposing of underperforming assets.
- Direct that rates for leases and other authorizations be reviewed and set at market values.
- Target investment in lands with demonstrated appreciation potential, most notably forest lands, agricultural lands, ICR lands and energy sites.
- Identify a new process to evaluate lands for sale and acquisition for highest and best use and for returns to the CSF.
- Assure that proposed investment in existing land assets will yield targeted returns on the investment.

The JDBAP also varies from previous area plans in that it is aligned with the new format of the annual land management report for FY 2013. The annual report places all CSF lands into the four revenue classifications defined in the REAMP. The classification of CSF lands is expected to be regularly updated over time, as more detail becomes available and conditions evolve. The categories identified in the REAMP (and included in the annual report) include:

1. Long-Term Potential – lands that “may or already have the strong potential to produce revenue over the long term”, such as alternative energy;
2. Near-Term Potential – lands “which have the strong potential to produce revenue over the near term, defined as approximately five years or less, depending on market conditions;”
3. Current Income Production – lands that “produce annual revenue for the CSF;” and
4. Minimal/No Income Production – lands “that produce little or no income.”

JOHN DAY BASIN AREA PLAN

The attached map provides the location of CSF ownership in the John Day Basin. Lands addressed in the plan are located in Wasco, Sherman, Gilliam, Morrow, Grant and Wheeler Counties. There are 57 total sites identified over the five counties, comprising a total of about 8,824 acres.

As part of the process in preparing the JDBAP, a detailed site evaluation on each property was completed. A Land Evaluation Form was completed that addressed many factors for each site, and is kept in each property file stored in the DSL Land Administration System. Using the detailed evaluation forms, staff has identified recommended uses for each property.

The attached summary tables indicate parcels in three categories: 2. Near Term Potential, 3. Current Revenue, and 4. Minimal/No Revenue. For the purpose of this plan, properties in Category 4 are recommended for sale, following additional due diligence (i.e. appraisals). As more information becomes available (e.g. potential for wind generation or recognition that little income of any type is likely), lands could be shifted into different categories (i.e. categories 1 and 4, respectively in the previous examples).

The summary tables include the following information on a parcel level: parcel name, county, location identification (Township, Range, Section, Tax lot), whether the property has legal and physical access, the calculated acreage from the agency's GIS system, a staff estimated value per acre, total estimated value derived from the estimated value per acre, Return on Asset Value (ROAV); and where applicable, brief comments. The tables are briefly described below.

Table 1. No Income/Near Term Potential Property – Category 2. This table includes the 19 properties that have a near term potential, or are being evaluated for long-term potential. None of the properties are currently producing revenue. Most of the properties are believed to have future potential for forage leases. Two of the properties are believed to have potential for wind turbines and/or agriculture, and two of the properties are being actively discussed for exchanges with the Oregon Parks and Recreation Department as additions to Cottonwood State Park. All of these parcels will be periodically evaluated in the annual plan for inclusion in categories 1, 3 or 4.

Table 2. Current Income Producing Property – Category 3. This table includes the 27 properties that produce revenue in the JDBAP. The majority of the properties are at the minimum annual lease amount (\$250 per leasehold). ROAV has been calculated for each parcel. Other properties have lease amounts based on Animal Unit Month (AUM); a calculation of the capacity of the land to support a 1,000 pound cow and un-weaned

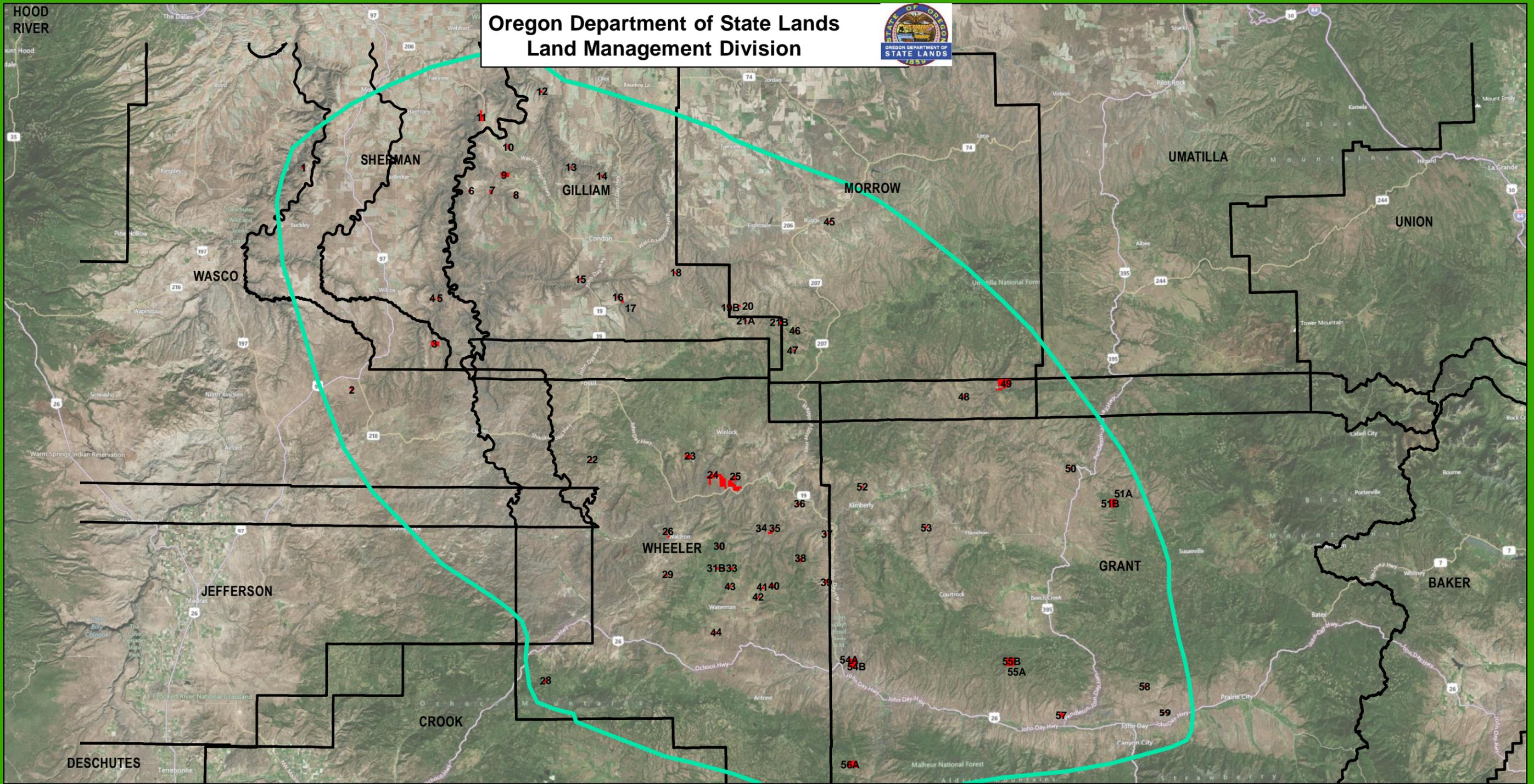
calf for a month. These parcels will be periodically evaluated through the annual plan for their revenue production and ROAV.

Table 3. No Income/For Sale – Category 4. This table identifies the 16 parcels that staff recommends be sold. There appears to be a small likelihood of future revenue, and greater returns would be achieved by divesting of the properties and investing the revenues in higher performing assets. Appraisals and Land Board approval at a future meeting will be required prior to sale.

APPENDICES

- A Map of John Day Basin Area Plan
- B Summary Tables

Oregon Department of State Lands Land Management Division



Legend

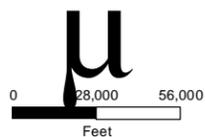
- █ JDB parcels
- █ Study Area

This map depicts the approximate location and extent of a Department of State Lands, Land Management Division authorization for use and/or property transaction. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

Contact:
OR Department of State Lands
Land Management Division
503-986-5200

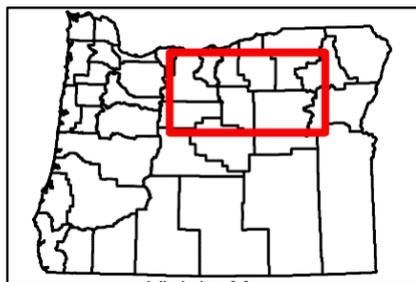
Date: 10/15/2013

John Day Basin Area Asset Plan



1 inch = 58,333 feet

Map Projection: Oregon
Statewide Lambert Datum
NAD83
International Feet



Vicinity Map

CURRENT INCOME PROPERTY-CATEGORY 3

Parcel Name	Site ID Number	County	LAS Parcel	TRSQ	Tax Lot	Legal Access?	Physical Access?	Lease Expiration Date	GIS Acres	Value per Acre	Total Value	Annual Lease Amt for 2013	ROAV	Comments
Hawkins Spring	6	Gilliam	202	03S19E18	1500	No	Yes	6/30/2019	41.16	\$ 200.00	\$ 8,200.00	\$ 250.00	3.05%	
Lonerock	21A	Gilliam	216	05S24E29	2100	No	Yes	2/28/2023	39.89	\$ 200.00	\$ 8,000.00	\$ 250.00	3.13%	
Needlefork East	19B	Gilliam	215	05S24E19	1400	No	Yes	2/28/2023	54.03	\$ 200.00	\$ 10,800.00	\$ 250.00	2.31%	
Needlefork West	19A	Gilliam	123	05S23E24	2800	No	No	2/28/2023	41.96	\$ 200.00	\$ 8,400.00	\$ 250.00	2.98%	
Robinette Creek	20	Gilliam	214	05S24E20	1700	Yes	Yes	2/28/2023	38.83	\$ 200.00	\$ 7,800.00	\$ 250.00	3.21%	
Birch Creek West & East	55	Grant	390, 391	12S29E16	900	No	Yes	2/28/2015	642.38	\$ 200.00	\$ 128,500.00	\$ 414.40	0.32%	
Burn Canyon A & B	51	Grant	479, 480	09S31E16	2500	Yes	Yes	2/28/2015	480	\$ 200.00	\$ 96,000.00	\$ 497.28	0.52%	
Cottonwood Creek	53	Grant	334	09S27E36	5200	No	No	2/28/2015	40	\$ 200.00	\$ 8,000.00	\$ 250.00	3.13%	
Fossil Beds West & East	54	Grant	540, 392	12S26E16	500	No	No	2/28/2015	635.82	\$ 200.00	\$ 127,200.00	\$ 663.04	0.52%	
Mount Vernon	57	Grant	126	13S30E16	1600	No	No	2/28/2015	160	\$ 200.00	\$ 32,000.00	\$ 250.00	0.78%	
Pup Spring West & East-- Environ. Review Needed	56	Grant	403, 404	14S26E16	700	No	Yes	2/28/2015	496.01	\$ 200.00	\$ 99,200.00	\$ 745.92	0.75%	
Ritter Butte	50	Grant	445	08S30E27	2800	No	No	2/28/2015	39.59	\$ 200.00	\$ 8,000.00	\$ 250.00	3.13%	
River County Line	49	Grant	423, 434, 436, 437	07S29E04, 05, 08	700, 2200	Yes	No	2/28/2015	891.91	\$ 200.00	\$ 178,400.00	\$ 1,772.92	0.99%	
Rhea Creek	45	Morrow	61	03S25E36	3800	Yes	Yes	2/28/2015	38.06	\$ 200.00	\$ 7,600.00	\$ 250.00	3.29%	
Long Hollow Creek	3	Wasco	417	06S18E09	1600	No	Yes	2/28/2015	309.69	\$ 200.00	\$ 62,000.00	\$ 466.20	0.75%	
Shaniko	2	Wasco	435	07S16E02	500	No	No	2/28/2015	80.48	\$ 200.00	\$ 16,200.00	\$ 250.00	1.54%	
Black Snag Springs	38	Wheeler	45	10S25E16	1300	No	Yes	3/31/2023	81.06	\$ 200.00	\$ 16,200.00	\$ 621.60	3.84%	
Happy Camp	33	Wheeler	368	10S24E19	2500	No	Yes	2/28/2015	81.27	\$ 200.00	\$ 16,200.00	\$ 250.00	1.54%	Iron Mtn and Happy Camp sites on same lease
Harper Creek	25	Wheeler	469, 471, 476	08S24E29, 32; 09S24E05	3300, 900	Yes*	Yes	2/28/2015	779.24	\$ 200.00	\$ 156,000.00	\$ 1,595.44	1.02%	Mathas Cr and Harper Cr Sites on same lease
Iron Mountain	32	Wheeler	367	10S23E24	2300	No	No	2/28/2015	40.73	\$ 200.00	\$ 8,200.00	\$ 250.00	3.05%	Iron Mtn and Happy Camp sites on same lease
Iron Mountain South	43	Wheeler	226	10S24E31	3800	No	No	2/28/2015	40.84	\$ 200.00	\$ 8,200.00	\$ 250.00	3.05%	Johnson Creek, Standard Parallel, Smith Hollow, and Iron Mtn So are on the same lease
Johnson Creek	40	Wheeler	225	10S24E36	4300	No	Yes	2/28/2015	82.13	\$ 200.00	\$ 16,400.00	\$ 250.00	1.52%	Johnson Creek, Standard Parallel, Smith Hollow, and Iron Mtn So are on the same lease
Kimberly	37	Wheeler	210	09S25E36	4100	No	No	3/31/2023	39.65	\$ 200.00	\$ 8,000.00	\$ 621.60	7.77%	
Longview Ranch	39	Wheeler	424	10S25E36	3400	No	Yes	3/31/2023	81.51	\$ 200.00	\$ 16,300.00	\$ 621.60	3.81%	
Mathas Creek	24	Wheeler	446, 448, 470, 473, 447, 472, 477	8S23E25, 26, 35; 08S24E30, 31; 09S24E06	3300, 3500, 1600	No	Yes	2/28/2015	1093.96	\$ 200.00	\$ 218,800.00	\$ 1,595.44	0.73%	Mathas Cr and Harper Cr Sites on same lease

CURRENT INCOME PROPERTY-CATEGORY 3

Parcel Name	Site ID Number	County	LAS Parcel	TRSQ	Tax Lot	Legal Access?	Physical Access?	Lease Expiration Date	GIS Acres	Value per Acre	Total Value	Annual Lease Amt for 2013	ROAV	Comments
Smith Hollow	42	Wheeler	247	11S24E03	1000	No	No	2/28/2015	40.73	\$ 200.00	\$ 8,200.00	\$ 250.00	3.05%	Johnson Creek, Standard Parallel, Smith Hollow, and Iron Mtn So are on the same lease
Standard Parallel	41	Wheeler	227	10S24E35	4200	No	No	2/28/2015	40.86	\$ 200.00	\$ 8,200.00	\$ 250.00	3.05%	Johnson Creek, Standard Parallel, Smith Hollow, and Iron Mtn So are on the same lease
Totals									6431.79		\$ 1,287,000.00			
*Access Needs to be confirmed														

