CENTRAL OREGON
AREA MANAGEMENT PLAN
ADOPTED
October 2011
THE STATE LAND BOARD

John Kitzhaber – Governor
Kate Brown – Secretary of State
Ted Wheeler – State Treasurer

OREGON DEPARTMENT OF STATE LANDS

Louise Solliday - Director

“The Governor, Secretary of State and State Treasurer shall constitute a State Land Board...the board shall manage lands under its jurisdiction with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound management techniques of land management.”

(Constitution of 1859; Amendment proposed by H.J.R. No. 7, 1967, adopted by the people May 28, 1968)
# TABLE OF CONTENTS

I. EXECUTIVE SUMMARY ................................................................................................................................. 1

II. INTRODUCTION .................................................................................................................................................. 3

   Vicinity Map ......................................................................................................................................................... 6
   Purpose and Scope .................................................................................................................................................. 7
   COAMP Sites are Common School Fund Trust Land .......................................................................................... 7
   The Planning Area and Public Involvement Process ......................................................................................... 9
   Relationship of the ASSET MANAGEMENT PLAN to COAMP ........................................................................ 10

III. COAMP AREA DESCRIPTION ..................................................................................................................... 11

   Central Oregon Snap Shot .................................................................................................................................. 11
   Crook County Overview .................................................................................................................................... 14
   Jefferson County Overview ................................................................................................................................ 15
   Deschutes County Overview ............................................................................................................................... 16
   Regional Profile: An Economic Outlook ............................................................................................................ 16
   Geo-Physical Environment .................................................................................................................................. 25
   Deschutes River Drainage Basin .......................................................................................................................... 26
   Development and Groundwater ........................................................................................................................... 27
   Agriculture ........................................................................................................................................................... 29
   Climate Considerations ......................................................................................................................................... 30
   Major Plant Communities in the Deschutes Basin ............................................................................................... 31
   Central Oregon Habitats and Wildlife .................................................................................................................. 32
   Fire and Fire Risk in the Deschutes Basin ............................................................................................................ 33
   ORBIC Rare Plants & Animals Data Review ........................................................................................................ 33

IV. COAMP SITE DIVERSITY ................................................................................................................................... 35

   Rangelands ......................................................................................................................................................... 35
   Forest Lands ....................................................................................................................................................... 35
   Industrial/Commercial/Residential Lands ........................................................................................................... 35
   Rural Residential Subdivision Potential ............................................................................................................. 36
   Destination Resort Development Potential .......................................................................................................... 37
Other Industrial, Commercial, and Urban Residential Lands ........................................ 37
Agricultural Lands ........................................................................................................... 38
Special Stewardship Lands .......................................................................................... 39
Mineral and Subsurface Estates ..................................................................................... 39

V. CURRENT MANAGEMENT SITUATION ....................................................................... 40
Healthy Ecosystems ....................................................................................................... 40
Wildland-Urban Interface ............................................................................................. 40
Public Access .................................................................................................................. 40
Forage Leases ................................................................................................................ 41
Wildfire ............................................................................................................................ 42
Noxious/Invasive Plants .................................................................................................. 42
Wildlife Management Responsibilities and Coordination .............................................. 42
Recreation Use Management ......................................................................................... 42
Permitted and Unpermitted Use Management ............................................................. 43

VI. COAMP COORDINATION EFFORTS .......................................................................... 43
Coordination and Cooperation with Others ................................................................. 43
Land Use Compatibility ................................................................................................. 44
Global Climate Change and DSL’s Sustainability Plan ................................................ 45

VII. LAND VALUATION AND FEASIBILITY STUDIES .................................................. 46
Land Valuation ................................................................................................................ 46
Current Market Conditions and Land Value .................................................................... 47
Feasibility Studies .......................................................................................................... 47

VIII. LAND AND FINANCIAL STEWARDSHIP OPPORTUNITIES .................................... 48
Industrial, Commercial and Residential Uses ............................................................... 49
Convert Rangeland to Agriculture .................................................................................. 49
Lease for Renewable Energy Production ....................................................................... 49
Lease for Communication Sites ..................................................................................... 50
Issue Road and Utility Easements ................................................................................. 51

IX. SITE MATRICES, INDIVIDUAL SITE INVENTORIES, AND SITE NOTES .................. 51
Site Matrices ................................................................................................................... 52
Site Inventory Portfolios ................................................................. 55
Site Notes ....................................................................................... 55

X. PLAN IMPLEMENTATION PROGRAM .................................................. 60
   A. Increase Net Income from COAMP Land Assets through Development of Special Uses. 60
   B. Manage COAMP Assets for the Long-Term .............................................. 61
   C. Monitor Market Conditions and Development Activity ............................... 62
   D. Manage COAMP Sites as a Long-Term Investment .................................... 62
   E. Consider the Interests of DSL’s Cooperating Partners ............................... 63

XI. CONTACT INFORMATION ................................................................. 64

XII. CREDITS ..................................................................................... 64

XIII. APPENDICES
     Appendix A – Site Matrices
     Appendix B – Site Inventory Portfolio
     Appendix C – Region Maps
     Appendix D – Site Due Diligence Checklists

XIV. BIBLIOGRAPHY
I. EXECUTIVE SUMMARY

The Central Oregon Area Management Plan (COAMP) or Plan is an inventory and management plan for a diverse set of Common School Fund (CSF) Trust land assets in Central Oregon. COAMP focuses on 34 different sites representing approximately 7,423 acres in Deschutes, Crook and Jefferson counties. There are four additional DSL properties (representing 1,665 acres) within the COAMP region that are major assets and already have adopted plans representing their highest and best use and thus are not dynamic elements of COAMP and are not assigned COAMP site numbers.

The purpose of this Area Management Plan is to establish a set of [highest and best use] asset management recommendations for the 34 COAMP sites. COAMP articulates a process for managing CSF land assets that: follows the directives of DSL’s 2006-2016 Asset Management Plan (AMP), responds to individual site characteristics and attributes, acknowledges and responds to the marketplace, and maximizes the property values and financial contributions to the CSF.

The Plan is based upon: reviews of Department of State Lands (DSL) and county records; county assessed land valuations; field data and site inventories; lease history and current lease status; environmental and cultural factors; historic and current land uses; comments from neighbors and partner agencies; and factors of change including the regional economy, climate, alternative energy production options and at-risk plant and animal species.

The COAMP region has experienced dynamic changes in the economy, employment, real estate trends and land values in the past decade and especially in the last 3 years. For these reasons, the Plan will likely warrant an update in less than ten years-- after the economy recovers and stabilizes. The majority of COAMP sites are recommended to be sold; consequently, COAMP has two functions: a real estate inventory prospectus with individual implementation and management options that best respond to the trends of the regional real estate marketplace and a land management plan for the parcels the COAMP recommends for long-term retention.

Appendix B contains the Site Inventory Portfolios for each numbered COAMP site including: Site Flyer, Site Aerial Photo, and a Field and Office Inventory Form. ODFW staff provided comments for each site which are included on each Inventory Form. Site Notes are provided which summarize and highlight the most salient and important issues and considerations for each site representing the bottom line summary of issues.

The preparation of the COAMP has been accomplished in full compliance with local, state and federal laws, rules, and guidelines including the operating plans and policies of the Department. COAMP helps to fulfill one of the Department’s legislatively approved Key Performance Measures (KPM #8) regarding the percent of DSL managed lands and waterways with completed area management plans or policies.

DSL staff held advertised COAMP public presentations in Redmond and Prineville on November 16 and 17, 2010, respectively. Additionally, DSL staff made, in response to offer letters sent to the three counties and the incorporated cities in the planning area,
special presentations to: Deschutes County Board of County Commissioners, and the City Councils of Prineville, Redmond and Madras.

COAMP preparation included involvement (correspondence, meetings, reports, presentations) of various state and federal agencies for their expertise including: ODFW, DOGAMI, ORBIC, BLM and USFS. A COAMP presentation was made to Central Oregon Economic Revitalization Team (COERT) state agency staff. Local government agencies (notably county planning departments) were consulted as well. COAMP sites have a variety of Comprehensive Plan Map designations and Zoning Map assignments as indicated on the individual Site Inventory forms. The proposed highest and best use recommendations have all considered zoning related issues as indicated on the Site Notes. Currently all DSL leases and authorized site activities are in compliance with local comprehensive plans and zoning.

COAMP recommends the following for the 34 sites representing 7,423 acres:

2,397 acres in 19 sites to be sold or traded.
1,269 acres in 4 sites to be held for rangeland leases.
1,247 acres in 5 sites to be held for enhanced (lease) revenue (agriculture, energy production, etc.).
2,106 acres in 5 sites to be held for possible rural subdivision development.
404 acres at one site to be held for destination resort lease/sell.

The Plan Implementation Program in Chapter X identifies the staff activities and timelines proposed to achieve the COAMP highest and best use recommendations. Implementation actions focus on: enhancing asset revenues through new, alternative revenue opportunities; continuing current site management operations and activities; continuing to manage and promote healthy ecosystems; monitoring COAMP region real estate market conditions and development activity; implementing strategic financial analysis of investment proposals; and maintaining effective communication with lessees, government agencies and the general public. Each Plan Implementation action includes a time range for implementation and indicates if Asset and/or Land Management staff leads the initiative.

The COAMP, this Plan, was adopted by the State Land Board on October 11, 2011.
II. INTRODUCTION

The Central Oregon Area Management Plan (COAMP) or Plan is an inventory and management plan for a diverse set of land assets in Central Oregon. These properties or land assets are Common School Fund (CSF) Trust lands. Some of these properties have been in state ownership since statehood, some obtained over the years due to various reasons, and others are In-Lieu lands more recently obtained from the Bureau of Land Management (BLM) to compensate for lands owed to the state from the federal government. The COAMP region includes 34 different sites representing approximately 7,423 acres in Deschutes, Crook and Jefferson counties.

The purpose of this Area Management Plan is to establish a set of [highest and best use] asset management recommendations for the 34 COAMP sites. COAMP articulates a process for managing CSF land assets that: follows the directives of the Department of State Land’s 2006-2016 Asset Management Plan (AMP), responds to individual site characteristics and attributes, acknowledges and responds to the marketplace, and maximizes the property values and financial contributions to the CSF.

The Plan is based upon: reviews of Department of State Lands (DSL) and county records; county assessed land valuations; field data and site inventories; lease history and current lease status; environmental and cultural factors; historic and current land uses; comments from neighbors and partner agencies; and factors of change including the regional economy, climate, alternative energy production options and at-risk plant and animal species.

The Plan concludes with an Implementation Program and Actions to be carried out during the Plan lifespan (≈10 years). As discussed in the Area Description Snap-Shot below, the COAMP region has experienced dynamic changes in the economy, employment, real estate trends and land values in the past decade. For these reasons, the Plan will likely warrant an update in less than ten years-- after the economy recovers and stabilizes. The current status of depreciated real estate values in Central Oregon has strongly influenced COAMP recommendations which favor exercising the “patient capital” or “banked assets” prerogative of CSF lands that allows for such debt-free assets to be held until real estate market conditions yield targeted financial returns. The majority of COAMP sites are recommended to be sold; consequently, COAMP has two functions: a real estate inventory prospectus with different candidate implementation and management options that best respond to the unfolding dynamics and trends of the COAMP regional real estate marketplace and a land management plan for the parcels the COAMP recommends for long-term retention.

The preparation of the COAMP has been accomplished in full compliance with local, state and federal laws, rules, and guidelines including the operating plans and policies of the Department.
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Purpose and Scope

The COAMP:

- Allocates and classifies land areas to the appropriate management classifications based on economic highest and best use and resource capability;
- Identifies strategies to generate the greatest possible revenue for the Common School Fund from land management activities that are compatible with community interests, and are consistent with Oregon land use law;
- Identifies strategies to conserve and enhance the value of the land and its resources by employing sound land management techniques to:
  - Enhance and maintain a healthy, properly-functioning ecosystem;
  - Comply with applicable state and federal legal requirements;
  - Meet the trust obligations of the Common School Fund;
- Ensures that short-term management decisions do not irrevocably commit or adversely affect the long-term revenue or value appreciation potential of the land;
- Identifies short and long-term implementation measures that are affordable, feasible and achievable within the 10-year planning period;
- Recognizes the contribution that lessees, federal, state and local government agencies, tribal governments and interested citizens can make in fulfilling the Plan;
- Provides guidance to help assure that future allocation of staff and funding are efficiently directed towards the Plan Implementation Program.

The preparation of the AMP also helps to fulfill one of the Department’s legislatively approved Key Performance Measures (KPM). KPM #8 is Completed Management Plans or Policies and relates to the percent of DSL managed lands and waterways with completed area management plans or policies. The target for this KPM is to have 80% of the Department’s land and water base covered by area management plans or management policies. This KPM threshold was achieved with the adoption of the Stockade Block AMP in 2009 and COAMP makes the fulfillment of this KPM even stronger.

COAMP Sites are Common School Fund Trust Land

The paramount purpose of management of the COAMP site portfolio is to produce income for the Common School Fund to support Oregon’s K-12 public schools.

The management requirements for Trust lands differ from those of traditional or common public lands. Trust lands are specifically intended and required to be managed to generate the maximum possible sustainable income for the CSF. Public use and wildlife management considerations are secondary considerations for the management of Trust lands. Currently, public use (including hunting) is permitted on CSF Trust lands.
provided that such use does not interfere with or compromise income generating activities, as outlined in a formal opinion by the Oregon Attorney General in 1992 (#8223).

Background
In the Oregon Admission Act in Article 4 (School Lands), the U.S. Congress granted public lands (i.e. federal) in Sections 16 and 36 of every township of the state or where these sections have been sold or otherwise disposed, equivalent lands “…for the use of schools.” These lands are referred to as “School Trust Lands” or “Trust Lands” or “Common School Fund (CSF) Trust Lands.” Lands acquired by the state through exchange of Trust lands become Trust lands. This is the case with the lands within the COAMP region acquired as In-Lieu lands and through land exchanges with the BLM.

The Oregon Constitution in Article VIII Section 5 (2) states: “The (Land) board shall manage lands under its jurisdiction with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.”

A 1992 Attorney General’s Opinion (No. 8223) states the following:

- Oregon’s acceptance of the proposition of its Admission Act, granting land to the state “for the use of schools,” imposed a binding obligation on the state.
- Oregon must use Admission Act lands for schools and not for any purpose that is inconsistent with such use.
- …the school lands granted to the State of Oregon are a trust for the benefit of public education. It is the duty of the state to dispose of them for as near full value as may be, and to create thereby a continuing fund for the maintenance of public schools. [Oregon Supreme Court: Grand Prize Hydraulic Mines v. Boswell]
- The words “with the object of obtaining” (found in the Oregon Constitution) do refer to purpose and intent. Yet the stated purpose, “obtaining the greatest benefit for the people of this state,” is consistent with the dedication of the Admission Act lands for the use of schools, and that use exclusively. The “greatest benefit” would mean only greatest benefit not otherwise inconsistent with the trust purposes of “use for schools.”
- …other permissible uses [of Admission Act lands] e.g., public recreation, can be easily explained as an express authorization for such uses where no good economic use of the lands for schools could be presently found…
- “The goal imposed by Section 5(2) … requires the State Land Board … to use lands dedicated to the Common School Fund in such a way as to derive the greatest net profit for the people of this state.” Johnson v. Dept of Revenue (1982).
- These management responsibilities require the Board to obtain full market value from the sale, rental or use of the Admission Act lands, while conserving the corpus of the trust.
- We (the AG) have previously characterized this obligation as a duty to maximize the value of, and revenue from, these lands over the long-term.
- …the duty to “maximize revenue” does not limit the Board to “mechanical consideration” of economic factors: …in every case the consideration must be directed to determination of the appropriate action to be taken to achieve … benefit to the Common School Fund…
• The Board may set lands aside temporarily for the purpose of “banking” an asset while its economic value appreciates, if the Board has a rational, non-speculative basis for concluding that such action will maximize economic return to the Common School Fund over the long-term.

• Also the Board may have good trust reasons for conserving resources that have little or no commercial value at the present time. With conservation of productive trust property as its goal, the Board must view the land resource as an interrelated whole. Promoting the long-term health of revenue producing resources may require conservation measure aimed at non-commercial resources such as water or soils.

• Revenues for the CSF must remain the Board’s overriding objective with respect to Admission Act lands that are retained… However, the management standard in Article VIII Section 5(2) calls on the Board to seek methods for accommodating the broader public interests, if that can be done while still maximizing revenue for the CSF.

• The Board is not required to maximize present income from the Admission Act lands without regard to other considerations. Rather, the Board’s duty is to manage the lands for the long-term benefit of the schools. Thus, the Board may sacrifice present income to preserve the property, if it determines this will enhance income for the future. Non-economic factors may be considered only if they do not adversely affect the potential financial contribution to the Common School Fund over the long-term.

• …the Legislature cannot impose regulatory requirements on the Board’s management of lands constitutionally dedicated to the CSF if to do so would interfere with the Board’s exercise of its management responsibilities under Article VIII section 5(2) of the Oregon Constitution.

• The Board is not required to comply with the State ESA if compliance would unduly burden or restrict the Board’s exercise of its constitutional powers to dispose of and manage Admission Act lands.

• The Board has exclusive power and authority to sell and to manage lands under its jurisdiction independent of any legislative action (AG’s Opinion 1972).

The Planning Area and Public Involvement Process

The guidance for the preparation of COAMP stems from the Department’s 2006-2016 Asset Management Plan authorizing the development of specific area management plans for definable geographic areas. These plans aim to:

• Inventory, as appropriate, various economic, environmental and social factors;
• Guide all management activities undertaken by the Department within the subject area;
• Identify appropriate land classifications, including Special Stewardship lands;
• Establish specific land management strategies and implementation measures;
• Maximize sustained revenue to the CSF over the long-term for Trust lands;
• Utilize the efforts of other agencies in developing coordinated management plans; and
• Include lessees, adjacent property owners, beneficiaries and other interested parties in the planning process.

A DSL planning team developed the COAMP outline, data acquisition and analysis strategy as well as the resulting planning document (this Plan). Existing DSL and county data of record and newly acquired site information was used extensively. The Oregon Biodiversity Information Center (ORBIC) provided special species information. The Oregon Department of Geology and Mineral Industries (DOGAMI) prepared a general assessment of the subsurface minerals potential of COAMP sites. Team members met with Oregon Department of Fish and Wildlife (ODFW) and other state agency staff including the COERT [Central Oregon Economic Revitalization Team—various state agencies). DSL staff also talked with County Planning Department staff and interested private parties, property and business owners.

DSL seeks input from the general public as well as local, state and federal agencies regarding the COAMP process and land assets/sites. Additionally, it is fully acknowledged that the legal and fiduciary management obligations for the SLB and DSL staff regarding CSF Trust lands may substantially differ from those of other state and federal agencies actively engaged in wild lands and natural resources management. The primary mission for management of CSF COAMP land assets is to maximize returns to and the value of the CSF lands assets portfolio. Natural resources management (including wildlife usage) supports the primary goals of CSF land value enhancement and revenue generation.

DSL staff held advertised COAMP public presentations in Redmond and Prineville on November 16 and 17, 2010, respectively. Additionally, DSL staff made, in response to offer letters sent, special presentations to: Deschutes County Board of County Commissioners, and the City Councils of Prineville, Redmond and Madras.

Following public hearings to be held in the COAMP region in April/May, 2011, the COAMP will be revised to reflect the public and agency comments and testimony received to date.

The State Land Board is anticipated to conduct a public hearing about COAMP in June 2011. SLB adoption of the COAMP may occur at a subsequent SLB meeting.

Relationship of the Asset Management Plan to COAMP

The 2006-2016 Asset Management Plan provides policy direction and management principles to guide short and long-term management of CSF land to provide the greatest benefit for the CSF and the people of Oregon. The Asset Management Plan establishes the COAMP area and goals for this Plan. The Asset Management Plan, in the Implementation Strategies Section, Implementation Priority #8 states:

“Develop and implement a Specific Area Management Plan (SAMP) for Department upland properties in Central Oregon, recognizing the concentration of lands in proximity to rapid growth areas.
Approximately 31 parcels in Crook, Jefferson and Deschutes counties, totaling approximately 5,410 acres, have been identified for inclusion in a Central Oregon SAMP (Figure 4), including a number of ICR parcels within the path of progress for short-to-medium term (5-10 years) growth. Five of these parcels are currently leased for grazing, generating $1,257 annually in revenues. For each parcel, the SAMP will:

- Establish current valuations;
- Define the highest and best use;
- Prioritize lands for acquisition, including exchanges with BLM and other property owners;
- Identify and resolve management issues; and
- Provide site-specific management direction.

The SAMP will be developed through a separate planning process with opportunities for public involvement. However, site-specific planning and investment may proceed independent of the SAMP for any of these parcels where appropriate given market conditions, e.g., Stevens Road Tract.”

COAMP is being completed to meet these AMP Strategies and Priorities as articulated immediately above except for creating a prioritized property acquisition list. Given the COAMP region real estate value uncertainties and considering the large amount of CSF land assets in the COAMP region, it was determined not to recommend specific additional property acquisitions at this juncture.

III. COAMP AREA DESCRIPTION

Central Oregon Snap Shot

This regional snapshot sets the stage for more detailed review below

Central Oregon is a geographic region traditionally considered to be made up of Deschutes, Jefferson, and Crook counties. Other definitions include larger areas, often encompassing areas to the north towards the Columbia River, eastward towards Burns, or south towards Klamath Falls. These three counties have a combined population of approximately 220,600 as of 2009; growing by 67,000 persons or 44% since the 2000 census (153,558 regional population), with Deschutes, the largest of the three counties, having approximately three and a half times the population of the other two counties combined. As of 2008, the most populous city in the region is Bend, with an estimated 80,995 residents. Very recently released 2010 Census data lists Bend as 76,639. As defined by the three-county region, Central Oregon covers 7,833 square miles (20,290 km²) of land.

The region is located in the middle of the state with the Cascade Range to the west dividing the state from north to south, and the smaller Ochoco Mountains to the east. Portions of the region are part of a basalt plateau formed by the Columbia River Basalt
Group, some are part of the slopes of the Cascades, and others part of the Basin and Range. The climate of the area is primarily arid due to the rain shadow effect of the Cascades on the western boundary of the region. Outdoor recreational activities, timber, and ranching are the primary economic activities.

The Central Oregon region sits at the convergence of the Basin and Range, Cascades, Blue Mountains, and Columbia River Plateau geologic regions. Because it is part of a historically volcanic region, volcanic rock formations are a common sight, including lava beds, volcanic buttes, crater lakes, volcanic plugs, and lava tubes. Consequently, Deschutes is the most cave-rich county in Oregon with over 250 lava tubes. Most of Central Oregon is within the Deschutes River Basin which includes two primary rivers: the Deschutes and Crooked Rivers, along with minor rivers including the Metolius.

The local plant life of Central Oregon can be divided between the Ponderosa forests at the foot of the Cascades, and the smaller Western Juniper forests to the east, with the Deschutes River being a rough boundary between the two. Because of the lack of precipitation and high temperatures during the late summer, wildfires are a common occurrence. Small fires are essential, as they burn away detritus. With the coming of European settlers, fire suppression became a common occurrence. However, due to years of fire suppression, several major wildfires have consumed large forest tracts and even threatened rural residential and urban areas. Major wildfires are becoming less common as the practice of controlled fires increases. Nevertheless, fire suppression has allowed juniper to spread rapidly throughout much the region (and eastern Oregon) with corresponding impacts to pre-settlement eco-regions (and habitats) and wildlife populations.

Located in the southern half of the Columbia Plateau physiographic province and in the northwest corner of the Great Basin, the prehistory of Central Oregon extends back at least 12,000 years archaeologically. During this period, regional changes in climate, weather and geology had a profound effect on how Native Americans lived in Central Oregon.

Approximately 12,000 years ago the Pleistocene Ice Age ended and the Holocene interglacial began. During this period cold artic weather gave way to warmer and dryer climatic conditions. In the 2,000 years that followed, glaciers and ice sheets began to melt and recede across the continent and in time allowed small bands of mobile hunters from NE Asia to make their way into North America. Direct evidence for Paleo-Indians in Central Oregon is scarce, however, because isolated artifacts from this time period have been found in many parts of Oregon, it is not unreasonable to expect that small bands of Paleo-Indians passed through and inhabited various areas of Central Oregon too. Traditionally regarded as being the first humans to migrate into the New World, the
Paleo-Indians abruptly vanished from the archaeological record around 10,500 years ago.

During the next 3,500 years the climate became increasingly warm and moist across much of the state and large Pleistocene lakes dotted the landscape in central and southeastern Oregon. Native Americans during this period employed a broad-spectrum foraging strategy that included opportunistic hunting of large game, as well as the utilization of plant resources, bird, fish and small game. Following the eruption of Crater Lake (Mt. Mazama) around 6,845 years ago the climate became much warmer and drier straining the rapidly diminishing resources in the region. This led Native Americans to expand their diet to include resources like seeds, root crops and chub. Archaeologically this shift is reflected by an increase in ground stone and plant processing tools (e.g. matates/manos). In time the climatic picture improved, and the hot, dry conditions of the Middle Archaic were gradually replaced by environmental and vegetational conditions more consistent with those that are found in the region today.

From 3,000 years ago to the present, a period of increased moisture in the region resulted in lakes, grasslands and marshlands to develop into more useful areas for food and habitation. Population growth and long-term settlement among Native Americans quickly developed and continued until the contact period. Four languages were spoken in central and north-central Oregon during the time in which Europeans made contact with Native Americans (Molala, Upper Chinook, Sahaptin and Northern Paiute) including areas in and around the COAMP area. Native Americans in the COAMP area were socially organized into small, egalitarian “micro-bands” that were primarily made up of self-sufficient family groups. When seasonal resources were abundant, these small bands would often come together to form larger extended family groups and share resources. These multifamily groups facilitated a number of social activities such as; marriage, and network development, allowing groups to exchange information regarding resource distribution, availability, and even harvesting efforts.

Peter Skene Ogden led a party of Hudson's Bay Company trapping through Central Oregon in 1826, becoming the first Euro-American explorers to visit the area. In 1843, Captain John C. Fremont and his Army survey team explored and mapped the western part of Central Oregon. Fremont was charged with mapping the Oregon Territory east of the Cascade Mountains from The Dalles on the Columbia River to Sutter's Fort in Sacramento, California. The Fremont party, including Kit Carson and Thomas Fitzpatrick, camped near Bend on December 4, 1843. In 1877, Prineville became the first city in the region, followed in 1888 by the founding of Sisters.

In the first half of the 20th century, the lumber industry dominated Central Oregon's economy. By 1915, two competing companies had built large sawmills south of Bend. The combined output of the Shevlin-Hixon and Brooks-Scanlon mills made Bend one of the largest lumber producing towns in the world. In 1924, the Shevlin-Hixon mill alone processed 200,000,000 board feet (500,000 m$^3$) of lumber. There were at least eight lumber mills in the Prineville areas as well. In the early 1930s, Sam Johnson opened a lumber mill in Sisters, the first of six Central Oregon mills the Johnson family owned over the years. During World War II, the demand for timber increased dramatically and
Central Oregon mill towns went through a period of significant growth. After World War II, Johnson opened a large mill in Redmond.

The Shevlin-Hixon mill closed in the early 1950s. Johnson's Redmond mill was destroyed by fire in 1963, and the last mill in Sisters closed that same year. In 1967, Johnson sold his last mill at Warm Springs to the Warm Springs tribal council and provided additional plywood and veneer-making equipment to help the tribe establish Warm Springs Forest Products Industries. The Brooks-Scanlon Lumber Company sold their remaining timber land in the 1980s.

The economy of Central Oregon relies heavily upon timber, ranching, and outdoor recreation. Much of Central Oregon is covered in forest and, while logging has declined in recent years, it is still an important part of the regional economy. Other areas are ideal for the raising of livestock.

A large portion of the three county COAMP planning area is in federal ownership distributed among the Deschutes and Ochoco National Forests and the Bureau of Land Management. These lands provide both employment and recreation opportunities to the area and are great assets to the economy of Central Oregon.

Central Oregon is the home of five destination resorts, as defined by Oregon's Department of Land Conservation and Development. Sunriver is south of Bend. Pronghorn is northeast of Bend. Eagle Crest is west of Redmond. Black Butte Ranch is west of Sisters, and Brasada Ranch is near Powell Buttes. These resorts are major employers within the region. In addition, Mount Bachelor and Hoo Doo ski areas operate chairlifts during the winter ski season.

Incorporated cities in the Central Oregon region include:

- Bend
- Culver
- La Pine
- Madras
- Metolius
- Prineville
- Redmond
- Sisters

Crook County Overview

Crook County was established on October 24, 1882. It was created from the southern part of Wasco County and named after U.S. Army Major-General George Crook, who led the cavalry in the Snake Indian Wars.

Crook County is situated in the geographic center of Oregon. It has been reduced from its original size of 8,600 square miles to 2,986 square miles by the creation of Jefferson County in 1914 and Deschutes County in 1916. The current boundaries were established in 1927. Crook County is bounded by Jefferson and Wheeler Counties to
the north, Grant and Harney Counties to the east, and Deschutes County to the south and west. Prineville was named in honor of the town's first merchant, Barney Prine.

The first census in 1890 showed a population of 3,244, excluding the Indians. The last several censuses have shown an increase in inhabitants with the 2000 population given at 19,182, representing an approximately 36% increase from 1990. The 2009 population of 27,185 represents an approximate 42% increase since 2000.

Routes over the Cascades were difficult to find and traverse, thus delaying development in the area until access was more developed. The first effort was in 1862 when a supply train with cattle crossed the Scott Trail. This was also the first group of non-natives to spend the winter in Central Oregon. The discovery and development of the Santiam Pass in the 1860s made development of the area much easier.

The economy of the county is based on agriculture and forestry. Agriculture is supported by the development of irrigation districts, which permits the raising of hay, grain, mint, potatoes, and seed. Range and forest lands allow grazing for a sizable livestock industry. The Ochoco National Forest's stand of Ponderosa Pine is the main source of lumber. As the lumber industry has declined due to restricted log cutting, tourism and recreation are helping to strengthen the economy.

**Jefferson County Overview**

Jefferson County was created on December 12, 1914, out of territory that was once part of Crook County. The county was named after Mount Jefferson, the second highest peak in Oregon with an elevation of 10,497 feet, which marks the county's western skyline. The county is bounded on the north by Wasco County, on the east by Wheeler and Crook Counties, on the south by Deschutes County, and on the west by Linn and Marion Counties. The county encompasses 1791 square miles. Madras, named after the city in India, was incorporated in 1911 and serves as the county seat.

The county's population at its first federal census in 1920 was 3,211. The 2000 population of 19,009 represented a 39% increase from 1990. The 2009 population of 22,715 represents a 19.5% increase since 2000.

Principle industries are agriculture, forest products, and recreation. The North Unit Irrigation District territory in the central part of the county produces seed, potatoes, hay, and mint crops. The eastern part of the county has dry wheat farming and grazing land for cattle, and the western part is timber country. The Warm Springs Forest Product Industry, owned by the Confederated Tribes of the Warm Springs Reservation, is the single largest industry. The reservation is located on portions of land in four counties including 236,082 acres in the northwestern corner of Jefferson County.

The county owes much of its agricultural prosperity to the arrival of the railroad in 1911 and to the development of irrigation projects in the late 1930s. The railroad, linking
Madras with the Columbia River, was completed after constant feuds and battles between two lines working opposite sides of the Deschutes River.

Lake Billy Chinook in Jefferson County was named for a Chinook Indian boy who joined up with John C. Fremont's second expedition at The Dalles in 1843. Billy Chinook accompanied Fremont (and Kit Carson of later fame) south through present day Central Oregon to California, including a harrowing journey across the Sierra Nevada Mountains in the heart of winter.

**Deschutes County Overview**

Deschutes County was created from the western portion of Crook County on December 13, 1916. It was named for the Deschutes River, which flows through the county. Early fur traders had called the river Riviere des Chutes, which means "River of the Falls." The county encompasses 3,055 square miles and is located in the central portion of the state. Geographically, the county includes portions of the Cascade Mountains and the central high desert plateau. It is bounded by Jefferson County to the north, Crook County to the east, Klamath and Lake Counties to the south, and Lane and Linn Counties to the west.

The county seat is located in the city of Bend, which was incorporated in 1905. The name Bend was derived from "Farewell Bend," the designation used by early pioneers to refer to the location along the Deschutes River where the town eventually was platted.

The first county census, taken in 1920, enumerated a population of 9,622 inhabitants. Deschutes County has experienced the most rapid growth of any county of the state in recent years. The 2000 population of 115,367 was a 53.91% increase over 1990. The 2009 population of 170,705 was a 48.8% increase over 2000.

**Regional Profile: An Economic Outlook**

**Deschutes, Crook and Jefferson Counties**

The geographic region evaluated in the analysis is focused on the Central Oregon counties of Deschutes, Jefferson, and Crook. More specifically, the primary urban areas within this broad geographic region include the Cities of Bend, Redmond, Prineville, Madras, Sisters, and La Pine.

An overview of the region’s employment land base reveals that industrial land and job development occurs primarily in the principal cities of this region (noted above). Most future urban employment opportunities in the region are likely to be located in areas:

- With suitable industrial land;
- With sufficient infrastructure, including serviceable land with planned sewer, water, power and transportation facilities;
• Accessible to a range of transportation options, including road, rail, and air access;
• With reasonable access to regional highways, including Highways 97, 126, 20 and 26;
• Accessible to a skilled regional labor pool or workforce;
• That provide strategic support for the regional economy, including active economic development and infrastructure planning, business recruitment and marketing; and
• That help conserve natural resources.

Most new jobs are likely to occur in areas that have the greatest potential to serve the region economically, have access to infrastructure, and have adjacent suitable land. Based upon these factors, most new jobs will likely be created in the principal population centers in Jefferson, Crook and Deschutes counties, specifically Bend, Madras, Prineville and Redmond. The Cities of Sisters, Culver and La Pine are too small and too geographically isolated to be considered as significant new employment centers.

Regional Population Trends
Central Oregon has seen rapid population growth over the past twenty years. Crook, Deschutes and Jefferson counties were the three fastest growing counties in Oregon, respectively, from 2000-2010. Due to the current recession, local economic conditions have slowed this growth. However, the region represents a desirable place to live, and new residents are increasingly drawn to the region’s climate, natural setting, recreational opportunities, and quality of life amenities. This influx of population provides the region with a larger labor pool with more diversified skills and education. Table 1 illustrates population growth for the three counties since 1990. Jefferson County in particular is expected to remain among the fastest-growing counties in the state due to available land, infrastructure and more affordable housing.

Table 1 – Central Oregon County Populations (1990-2010)

<table>
<thead>
<tr>
<th>County</th>
<th>1990</th>
<th>2000</th>
<th>2010 estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crook</td>
<td>14,111</td>
<td>19,182</td>
<td>27,280</td>
</tr>
<tr>
<td>Deschutes</td>
<td>74,958</td>
<td>115,367</td>
<td>172,050</td>
</tr>
<tr>
<td>Jefferson</td>
<td>13,676</td>
<td>19,009</td>
<td>22,865</td>
</tr>
</tbody>
</table>

Source: US Census Bureau

Bend, Redmond and Prineville have consistently been the largest population centers in the region. However Madras’ recent population growth gives it more significance as a regional center. Populations from 1990 to 2010 for cities in Central Oregon (excluding Sisters, Culver and La Pine) are shown in Table 2.
Table 2 – Central Oregon City Populations (1990-2010)

<table>
<thead>
<tr>
<th>City</th>
<th>1990</th>
<th>2000</th>
<th>2010 estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bend</td>
<td>20,469</td>
<td>52,029</td>
<td>83,125</td>
</tr>
<tr>
<td>Madras</td>
<td>3,443</td>
<td>5,078</td>
<td>6,650</td>
</tr>
<tr>
<td>Prineville</td>
<td>5,355</td>
<td>7,356</td>
<td>10,370</td>
</tr>
<tr>
<td>Redmond</td>
<td>7,163</td>
<td>13,481</td>
<td>25,945</td>
</tr>
</tbody>
</table>

Source: US Census Bureau

Economic Overview of the Region

Historic Economy
The economic history of the region (Crook, Deschutes and Jefferson counties) can be traced to three foundation industries: agriculture, ranching, and timber production. Historically, the Central Oregon regional economy was principally dependent on wood products manufacturing. While still a component of the regional economy today, its importance has decreased over time due to resource limitations and industry decline.

As the region’s population began to grow, so did the diversity of the economy. According to Bend’s General Plan, in the 1970s, the city’s economy diversified with other manufacturing businesses, trade, medical services, and tourism providing a bigger share of local jobs. The transition of the regional economy accelerated in conjunction with the regional population boom of the 1990s and 2000s. Between 1999 and 2008, the tri-county region had the highest employment growth rate in the state. Regional employment growth began to focus on high-tech industries and service sector jobs, with tourism being the most prominent.

Regional unemployment rates are generally higher than U.S. rates and slightly exceed those of the State of Oregon. Seasonal unemployment is often even more pronounced than state and national levels.

Employment
According to the State of Oregon, the following are key Central Oregon industries:

- Tourism;
- Health & Social Assistance;
- Wood Product Manufacturing;
- Professional, Scientific & Technical Services; and
- Distribution & Warehousing.

Primary industries in the region as identified by Economic Development for Central Oregon (EDCO) are listed in Table 3.
Table 3 – Primary Industries in Central Oregon (2007)

<table>
<thead>
<tr>
<th>Crook County</th>
<th>Deschutes County</th>
<th>Jefferson County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>Computer and Electronic Manufacturing</td>
<td>Agriculture</td>
</tr>
<tr>
<td>Distribution and Warehousing</td>
<td>Recreation and Transportation Equipment Manufacturing</td>
<td>Education and Health Services</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>Transportation, Warehousing and Utilities</td>
<td>Manufacturing (including wood products manufacturing)</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>Education and Health Services</td>
<td>Recreational Equipment Manufacturing</td>
</tr>
<tr>
<td>Wood Product Manufacturing</td>
<td>Professional and Business Services</td>
<td>Government (local, state, federal, tribal)</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>Wood Product Manufacturing</td>
<td></td>
</tr>
</tbody>
</table>

Table 4 provides total employment for key Central Oregon industries by their respective county.

Table 4– Total Employment by Industry and County (2008)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Crook County</th>
<th>Deschutes County</th>
<th>Jefferson County</th>
<th>Tri-County Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Resources &amp; Mining</td>
<td>165</td>
<td>615</td>
<td>376</td>
<td>1,156</td>
</tr>
<tr>
<td>Construction</td>
<td>358</td>
<td>5,681</td>
<td>115</td>
<td>6,154</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,072</td>
<td>5,082</td>
<td>1,036</td>
<td>7,190</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>866</td>
<td>1,628</td>
<td>222</td>
<td>2,716</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>530</td>
<td>10,193</td>
<td>541</td>
<td>11,264</td>
</tr>
<tr>
<td>Transportation, Warehousing &amp; Utilities</td>
<td>415</td>
<td>1,209</td>
<td>105</td>
<td>1,729</td>
</tr>
<tr>
<td>Information</td>
<td>35</td>
<td>1,615</td>
<td>21</td>
<td>1,671</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>180</td>
<td>3,685</td>
<td>117</td>
<td>3,982</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>310</td>
<td>7,301</td>
<td>134</td>
<td>7,745</td>
</tr>
<tr>
<td>Educational &amp; Health Services</td>
<td>643</td>
<td>8,988</td>
<td>248</td>
<td>9,879</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>636</td>
<td>9,993</td>
<td>529</td>
<td>11,158</td>
</tr>
<tr>
<td>Other Services</td>
<td>222</td>
<td>2,325</td>
<td>187</td>
<td>2,734</td>
</tr>
<tr>
<td>Government</td>
<td>1,276</td>
<td>8,212</td>
<td>2,364</td>
<td>11,852</td>
</tr>
<tr>
<td><strong>County Total</strong></td>
<td><strong>6,708</strong></td>
<td><strong>66,526</strong></td>
<td><strong>5,993</strong></td>
<td><strong>79,227</strong></td>
</tr>
</tbody>
</table>

Source: Oregon Employment Department, 2008
NOTE: Table 5 (immediately below) provides a list of key Central Oregon employers in 2008 - ranked by number of employees. It is noteworthy that the region has experienced a decrease in total employment since 2008 and that Table 5 is more useful as an example of the employment potential of the region rather than the current (2011) actual employment status.

Table 5 – Key Central Oregon Employers by Employment (2008)

<table>
<thead>
<tr>
<th>Rank</th>
<th>2008</th>
<th>Company</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>St. Charles Medical Center</td>
<td>3,088</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Les Schwab Tire Centers (Region Wide)</td>
<td>1,500</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>Brightwood Corporation</td>
<td>1,057</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Sunriver Resort</td>
<td>950</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>Mt. Bachelor</td>
<td>886</td>
</tr>
<tr>
<td>6</td>
<td>7</td>
<td>T-Mobile</td>
<td>824</td>
</tr>
<tr>
<td>7</td>
<td>6</td>
<td>Safeway (Region Wide)</td>
<td>666</td>
</tr>
<tr>
<td>8</td>
<td>15</td>
<td>Wal-Mart (Region Wide)</td>
<td>623</td>
</tr>
<tr>
<td>9</td>
<td>8</td>
<td>TRG Customer Solutions</td>
<td>564</td>
</tr>
<tr>
<td>10</td>
<td>12</td>
<td>Bend Memorial Clinic</td>
<td>510</td>
</tr>
<tr>
<td>11</td>
<td>NL</td>
<td>The Parr Company (Region Wide)</td>
<td>500</td>
</tr>
<tr>
<td>12</td>
<td>13</td>
<td>Fred Meyer (Region Wide)</td>
<td>470</td>
</tr>
<tr>
<td>13</td>
<td>10</td>
<td>JELD-WEN Windows &amp; Doors</td>
<td>430</td>
</tr>
<tr>
<td>14</td>
<td>17</td>
<td>Kah-Nee-Ta Resort</td>
<td>420</td>
</tr>
<tr>
<td>15</td>
<td>11</td>
<td>Cessna</td>
<td>418</td>
</tr>
<tr>
<td>16</td>
<td>16</td>
<td>JELD-WEN Development (Eagle Crest)</td>
<td>302</td>
</tr>
<tr>
<td>17</td>
<td>22</td>
<td>Hooker Creek Companies (Region Wide)</td>
<td>300</td>
</tr>
<tr>
<td>18</td>
<td>NL</td>
<td>Athletic Club of Bend</td>
<td>300</td>
</tr>
<tr>
<td>19</td>
<td>20</td>
<td>Costco</td>
<td>292</td>
</tr>
<tr>
<td>20</td>
<td>21</td>
<td>Ray’s Grocery Stores (Region Wide)</td>
<td>292</td>
</tr>
<tr>
<td>21</td>
<td>24</td>
<td>The Riverhouse</td>
<td>284</td>
</tr>
<tr>
<td>22</td>
<td>50</td>
<td>Opportunity Foundation</td>
<td>280</td>
</tr>
<tr>
<td>23</td>
<td>23</td>
<td>Bank of the Cascades (Region Wide)</td>
<td>279</td>
</tr>
<tr>
<td>24</td>
<td>14</td>
<td>Knife River Corp.</td>
<td>275</td>
</tr>
<tr>
<td>25</td>
<td>26</td>
<td>Albertson’s Supermarkets (Region Wide)</td>
<td>264</td>
</tr>
</tbody>
</table>

NL = Not Listed; Source: EDCO Research, April 2008

Recent Economic Trends (2008-2010)
Most of the economic trends identified above were established prior to the current economic downturn. According to a May 4, 2009 article in the Bend Bulletin, the regional economy has been negatively impacted more severely than state and national trends, especially in the areas of construction-related employment and property values. The region has seen unemployment rates ranging from 15-18.5% and decreases in several key industries. The Oregon Employment Department (OED) indicates that despite strong employment growth prior to 2007, total nonfarm employment in Central...
Oregon declined by nearly 4% from 2007 to 2008. Just as employment growth earlier in the decade was attributable to the housing market, so is the current decline.

According to the Oregon Department of Labor, the non-seasonally adjusted unemployment rate in Deschutes County rose 8.8 percentage points from March 2008 to March 2009, faster than all but one other metropolitan area in the United States, but had dropped 2.4 percentage points by November 2010. Health and educational services and local government had gained over 500 jobs, showing a sign that things are improving. Total employment in Crook County, dropped 170 jobs in industries such as local government, manufacturing and construction, but gained in the areas of transportation, warehousing, utilities and federal government. Jefferson County also lost 170 jobs, with the greatest decline in local government, but employment rose in manufacturing, specifically wood product manufacturing.

The July 2009 Recent Trends: Region 10 states that “the employment situation in Central Oregon improved slightly” in the spring of 2009. The most significant job gains were in the leisure, hospitality, and professional and business services industries. However, the unemployment rate continued to climb in Crook, Deschutes and Jefferson counties. A panel of local business leaders recently stated that it will likely be three to five years before Central Oregon’s economy fully recovers.

Despite these current challenges, a Central Oregon economic development professional states that several industries are poised to perform better than expected, including the medical device, electronic software and renewable energy fields – these industries could provide future growth in Central Oregon. According to EDCO, the renewable/ alternative energy sector in Central Oregon is small, but diverse. The region claims companies working in solar power, fuel cells, wind power, geothermal energy, plasma waste conversion, and biomass fuel.

The OED Regional Economic Profile report notes that “prospects for future expansion across a variety of light manufacturing industries appear excellent as increasing numbers of small manufacturers are attracted by the livability factor and the existence of a rapidly-growing labor force.” A 2008 Economic Opportunity Analysis prepared by the City of Bend further indicates that manufacturing, such as electronics and semiconductors manufacturing has been replacing the declining wood products and food manufacturing industries. The Bend EOA predicts that the industrial sector will continue to diversify as new small and medium-sized businesses locate in the region. Small manufacturing businesses have created a demand for smaller industrial parcels.

Manufacturing jobs also have been replaced by professional services, construction, services, and retail trade. Growth in these sectors is among the highest levels in the state. Targeted economic sectors, particularly among the main population centers of Bend, Redmond, Prineville and Madras, include hospitality, higher education, health
care, secondary wood products, renewable energy resources, aviation, recreational equipment manufacturing, and information technologies.

The most recent OED regional industry employment forecast for Central Oregon covers the 10-year period from 2008 to 2018. According to that forecast, employment in Central Oregon is projected to grow by almost 15%, making it one of the fastest growing regions in the state. The projected employment growth rate is due, in large part, to the region's expanding population. Nonmanufacturing industries are expected to account for approximately half of the region’s growth. Table 6 shows the 2008-2018 employment forecast for Central Oregon.

Table 6 – Region 10: Industry Employment Forecast, 2008-2018

<table>
<thead>
<tr>
<th>Industry</th>
<th>2008</th>
<th>2018</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total nonfarm employment</td>
<td>81,280</td>
<td>92,340</td>
<td>11,060</td>
<td>13.60%</td>
</tr>
<tr>
<td>Total private</td>
<td>69,080</td>
<td>78,550</td>
<td>9,470</td>
<td>13.70%</td>
</tr>
<tr>
<td>Logging and mining</td>
<td>300</td>
<td>330</td>
<td>30</td>
<td>10%</td>
</tr>
<tr>
<td>Construction</td>
<td>1,320</td>
<td>1,400</td>
<td>80</td>
<td>6.10%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>6,160</td>
<td>6,250</td>
<td>90</td>
<td>1.50%</td>
</tr>
<tr>
<td>Durable goods</td>
<td></td>
<td>7,870</td>
<td>680</td>
<td>9.50%</td>
</tr>
<tr>
<td>Wood product manufacturing</td>
<td>6,290</td>
<td>6,840</td>
<td>550</td>
<td>8.70%</td>
</tr>
<tr>
<td>Nondurable goods</td>
<td>2,960</td>
<td>3,020</td>
<td>60</td>
<td>2%</td>
</tr>
<tr>
<td>Trade, transportation, and utilities</td>
<td>900</td>
<td>1,030</td>
<td>130</td>
<td>14.40%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>15,770</td>
<td>17,720</td>
<td>1,950</td>
<td>12.40%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>2,720</td>
<td>2,840</td>
<td>120</td>
<td>4.40%</td>
</tr>
<tr>
<td>Food and beverage stores</td>
<td>11,270</td>
<td>12,800</td>
<td>1,530</td>
<td>13.60%</td>
</tr>
<tr>
<td>General merchandise stores</td>
<td>2,200</td>
<td>2,600</td>
<td>400</td>
<td>18.20%</td>
</tr>
<tr>
<td>Transportation, warehousing,</td>
<td>2,400</td>
<td>2,700</td>
<td>300</td>
<td>12.50%</td>
</tr>
<tr>
<td>Information</td>
<td>1,780</td>
<td>2,080</td>
<td>300</td>
<td>16.90%</td>
</tr>
<tr>
<td>Financial activities</td>
<td>1,670</td>
<td>1,660</td>
<td>-10</td>
<td>-0.60%</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>5,420</td>
<td>5,920</td>
<td>500</td>
<td>9.20%</td>
</tr>
<tr>
<td>Educational and health services</td>
<td>7,750</td>
<td>9,150</td>
<td>1,400</td>
<td>18.10%</td>
</tr>
<tr>
<td>Health care and social</td>
<td>10,010</td>
<td>12,930</td>
<td>2,920</td>
<td>29.20%</td>
</tr>
<tr>
<td>Health care</td>
<td>6,250</td>
<td>8,020</td>
<td>1,770</td>
<td>28.30%</td>
</tr>
<tr>
<td>Leisure and hospitality</td>
<td>5,770</td>
<td>7,440</td>
<td>1,670</td>
<td>28.90%</td>
</tr>
<tr>
<td>Accommodation and food</td>
<td>11,160</td>
<td>12,690</td>
<td>1,530</td>
<td>13.70%</td>
</tr>
<tr>
<td>Other services</td>
<td>7,470</td>
<td>8,470</td>
<td>1,000</td>
<td>13.40%</td>
</tr>
<tr>
<td>Government</td>
<td>2,630</td>
<td>2,960</td>
<td>330</td>
<td>12.50%</td>
</tr>
<tr>
<td>Federal government</td>
<td>12,200</td>
<td>13,790</td>
<td>1,590</td>
<td>13%</td>
</tr>
<tr>
<td>State government</td>
<td>1,320</td>
<td>1,360</td>
<td>40</td>
<td>3%</td>
</tr>
<tr>
<td>Local government</td>
<td>1,650</td>
<td>1,820</td>
<td>170</td>
<td>10.30%</td>
</tr>
</tbody>
</table>

Source: Oregon Employment Department, 2010

Healthcare and social assistance industries are expected to see the greatest growth in response to the aging population. Professional and business services are expected to increase to meet the diverse needs of the region. Construction should grow in response to an expanding retail sector, but at a lower rate than that of the past five years.
According to the Central Oregon Community Investment Board’s (COCIB) Central Oregon Comprehensive Economic Development Strategy and the 2008 Bend EOA, the regional economic outlook for Central Oregon is characterized by a range of conditions that build on and reflect the unique attributes and vulnerabilities of the constituent jurisdiction. This economic outlook can be expressed as strengths, weaknesses, opportunities and threats, summarized as follows:

Table 7 – Characteristics of the Regional Economic Outlook

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diverse economic base</td>
<td>Geographic isolation</td>
<td>Clean and renewable energy sources</td>
<td>Ineffective leadership and lack of civic engagement</td>
</tr>
<tr>
<td>Economic amenities (airports and rail)</td>
<td>Lack of affordable workforce housing</td>
<td>Creating transportation linkages</td>
<td>Insufficient funding for transportation and education</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>Lack of regional connectivity</td>
<td>Providing for senior and retiree population</td>
<td>Land cost and availability</td>
</tr>
<tr>
<td>High livability and amenities</td>
<td>Limited water supply</td>
<td>Regional economic development coordination and collaboration</td>
<td>Lack of regional planning</td>
</tr>
<tr>
<td>High quality workforce (education and training)</td>
<td>Low wages (service sector)</td>
<td>Tourism growth</td>
<td>Parochialism</td>
</tr>
<tr>
<td>Political leadership and local government staff</td>
<td>Shortage of industrial and other employment land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality infrastructure</td>
<td>Unemployment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality medical care</td>
<td>Variability in land cost and availability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strong business support services</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A review of Bend’s 2008 EOA, and Redmond’s (2005) and Madras’ (2007) Urbanization studies reveals some consistency in key factors for regional employment development and firm location. The following are key factors by type:

Table 8 – Key Factors in Attracting Regional Economic Growth

<table>
<thead>
<tr>
<th>Land</th>
<th>Transportation</th>
<th>Infrastructure</th>
<th>Labor Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat topography and parcels (low grade)</td>
<td>Rail Access. (heavy goods distribution)</td>
<td>Adequate sewer capacity</td>
<td>Amenities for residents and employees</td>
</tr>
<tr>
<td>Adequate parcel size and configuration</td>
<td>Road Access</td>
<td>Adequate water supply and service</td>
<td>Adequate supply of skilled labor</td>
</tr>
<tr>
<td>Stable soil types</td>
<td>Air Access (commercial passenger and freight service)</td>
<td>Adequate power supply</td>
<td>Proximity to housing</td>
</tr>
<tr>
<td>Land use buffers from adjacent uses</td>
<td>Transit Access (for employees and consumers)</td>
<td>Fiber Optics/ telephone/ high-speed internet</td>
<td></td>
</tr>
<tr>
<td>Land cost (affordable industrial land)</td>
<td>Bicycle and Pedestrian Access</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A noteworthy transportation initiative involves seeking state and federal grant funds to construct a new intermodal rail transfer facility north of Redmond just east of Highway 97 at O’Neil Highway. Such funds would support the land acquisition, road improvements and construction of an intermodal shipping facility. This new intermodal rail facility would enhance the current shipping activities at the Prineville Freight Depot located where the Prineville and Burlington Northern Santa Fe railways meet. This intermodal facility could significantly enhance DSL’s potential industrial sites adjacent to Prineville and the South Redmond Tract by reducing local rail stops and allowing more efficient rail service to the region.

Despite recent economic challenges, the Central Oregon region has seen tremendous growth and changes over the past 20 years. Population growth is expected to remain high as people move to the region seeking its high quality of life and outdoor recreational opportunities. The role of manufacturing in the regional economy has transformed over the past two decades from resource-dependent industries to a more diversified and sophisticated industrial and manufacturing base. New industries, such as renewable energy and software technology are transitioning the economy and attracting a more skilled labor pool. Additionally, Central Oregon has emerged as a premiere tourist destination due to its proximity to abundant recreation and natural resources. The region stands to capitalize on these attributes though several growth industries may be hindered by the current recession, including the construction and service industries. Despite this, there will be continued interest in the region from amenity-driven firms looking to relocate or expand. This will create significant long-term demand for the region’s available employment land supply. Most jurisdictions acknowledge that the
availability and affordability of this land is essential to attracting additional industry to continue to diversify the regional economy.

Geo-Physical Environment

The COAMP region is strongly and directly influenced by the local and regional volcanic forces that have shaped and molded the area’s physical environment. Whether it be the rain-shadow effects, the mysterious subsurface hydrology, the basalt plateaus, lava caves, the horizon-dominating mountains and peaks, the shallow/infertile or irregular pockets of deep/fertile volcanic soils—all of these distinct yet linked features are present due to the still-active volcanic and plutonic forces dynamically shaping the Central Oregon and the Pacific Northwest region.

Deschutes-Columbia Plateau Province

The Deschutes-Columbia Plateau is part of the larger Columbia Plateau which covers about 63,000 square miles in Oregon, Washington, and Idaho. The Columbia Plateau was formed by immense outpourings of lavas during the Miocene (17 to 14 million years ago) which filled a subsiding basin and formed one of the largest flood basalt provinces in the world. These basalt flows were erupted from vents in central and northeast Oregon and in southeast Washington and adjacent Idaho.

In Central Oregon the province includes the Deschutes Basin which lies between the Cascade Range and the Ochoco Mountains. This basin is underlain by the Columbia River Basalts which make up much of the Columbia Plateau.

The Deschutes Basin

The Deschutes Basin of Central Oregon is defined by the exposed extent of the Deschutes Formation, an upper Miocene-lower Pliocene assemblage of volcanic and non-marine epiclastic rocks. The Deschutes Formation represents a major period of aggradation within the basin 7.6 to 4.5 million years ago. The basin extends from the Mutton Mountains on the north to the High Lava Plains on the south, and from the Ochoco Mountains on the east to the High Cascade Range on the west.

Within the Deschutes Basin there is evidence that a great volume of volcaniclastic material was delivered to the eastern slopes of the central Cascades during an interval that began 7.6 million years ago and was abruptly terminated 5.4 million years ago. During this time, explosive volcanism along the site of the present High Cascades produced dozens of ash-flow tuffs with volumes sufficient to cover large areas of the Deschutes Basin. A large volume of clastic debris was carried into the basin, largely during floods, burying many pyroclastic units before extensive erosional modification. Lava flows of basalt and basaltic andesite composition are also abundant in the basin and were derived from vents within and east of the basin as well as from the Cascades to the west.
Deschutes River Drainage Basin

The Deschutes Basin is the second largest watershed in Oregon, covering more than 10,000 square miles. The Deschutes River flows north through an arid high desert landscape, originating in the west in the Cascade Mountains, and in the east in the Ochoco Mountains (as the Crooked River). Much of the geography of the basin has been shaped by volcanism, from the young cinder cones and pumice deposits of the Cascades to the massive Columbia River basalts in the canyons of the lower river.

Upper Deschutes River
The Upper Deschutes flows from the Wickiup Reservoir near Crescent Lake to Bend. The Upper Deschutes flows through two reservoirs, Wickiup and Crane Prairie. The reservoirs store water used for irrigation, and enable downstream flows to be high in the summer and low in the winter. While irrigation diversions are necessary to sustain crops and livestock in the surrounding area, this altered stream flow may also cause bank erosion and stresses to the riparian ecosystems along the river. Soil eroded from the banks is deposited in Mirror Pond in Bend, which is at risk of turning into mudflats during late summer and fall, raising aesthetic issues for the community. Several organizations have come together to address this issue in Bend.

The Deschutes River Conservancy has collaborated with landowners and management agencies to maintain a better balance between irrigation season water leases, transfers, and conservation with winter water storage releases. The Upper Deschutes Watershed Council is also working to restore a more natural stream flow, and have several goals for the watershed. These goals include the following: protecting and restoring healthy stream corridors, restoring wetlands, in-stream habitat, and riparian and floodplain areas, managing storm water to reduce pollutant inputs into the river, and restoring fish passages at existing dams.

Middle Deschutes River
The Middle Deschutes stretches from Bend to Lake Billy Chinook in Jefferson County east of the Cascades. The watershed encompasses the land between Sisters and Redmond and includes the major tributaries of Tumalo Creek, Whychus Creek, Willow Creek, and Trout Creek. The Middle Deschutes is overseen by a number of organizations that have partnered to ensure that the river is well-managed. These groups include the Middle Deschutes Watershed Councils, the Deschutes River Conservancy, the Deschutes River Land Trust, the Confederated Tribes of Warm Springs, Portland General Electric, and numerous federal and state agencies and private landowners.

Several restoration projects and management activities are ongoing in the Middle Deschutes area. Trout Creek is the subject of steelhead salmon restoration efforts. This species is endangered in much of the Deschutes River system because of man-made
changes to its habitat. Stakeholders and watershed council members within the Willow Creek watershed are planning and implementing conservation measures to address reoccurring flooding in the town of Madras and channel and bank erosion. The watershed council plans to undertake a project to connect Willow Creek to its historical floodplain, reducing flooding and bank erosion and restoring natural stream substrates favored by the endemic Redband Trout.

Another restoration project underway on the Middle Deschutes is the restoration of Whychus Creek, a tributary that begins on the slopes of the Three Sisters volcano and joins the Deschutes near its confluence with Lake Billy Chinook. For decades, diversions of irrigation water left the creek too shallow and warm to support fish in some areas, and in other areas completely dry. Many small dams and culverts closed off channels or trapped fish, preventing their migration. Channel straightening, the dumping of riprap, and other changes to the structure and flow of the creek had degraded habitat conditions. In the 1990s, Whychus Creek became the subject of an intense restoration effort involving dozens of individuals and organizations who are currently working together to restore the creek’s health and function.

Crooked River
The Crooked River, a designated National Wild and Scenic River, is a tributary of the Deschutes River that begins at the confluence of South Fork Crooked River and Beaver Creek near Prineville. The Crooked River runs northwest through the Prineville Reservoir, created by the Bowman Dam, and empties into Lake Billy Chinook, where it joins the Deschutes River.

The Crooked River, like many rivers in the Deschutes Basin, is a major spawning ground for several species of anadromous fish like Chinook Salmon, Steelhead Trout, and Pacific Lamprey. Non-migratory fish such as Redband Trout and Bull Trout are also abundant. Additional wildlife often found along the Crooked River includes beavers, waterfowl, river otters, golden eagles, prairie falcons, and many other bird species. Resident and overwintering populations of mule deer reside within the river corridor, as well as pronghorn antelope.

For thousands of years before European settlement, Native American groups from the Columbia Plateau and Great Basin hunted game, fished, and gathered food in the Crooked River region. The Lower Crooked River is within the ceded lands of the Confederated Tribes of Warm Springs Reservation. Tribal members are guaranteed traditional rights of hunting, fishing, and gathering on these ceded lands under the Treaty of 1855.

Development and Groundwater

The human population the Deschutes Basin is growing, particularly in its upper watershed. In the 1990s Deschutes County was the epicenter of this growth – its
Because the water that is held in streams and rivers was claimed early on in Oregon's history, this water is not readily available for additional withdrawals today, and is therefore not generally available to support new development. Consequently, groundwater has become the source of water withdrawals for new development in the basin.

About one-half of the ground water that flows underground from the Cascade Range empties into streams and creeks such as the upper Metolius and its tributaries. The other half flows underground and empties into streams near the confluence of the Deschutes, Crooked, and Metolius Rivers.

Several organizations and programs exist today to manage the groundwater in the Deschutes Basin. One of the major managing agencies is the Oregon Water Resources Department (OWRD). The department compiled a mitigation program for groundwater in the Deschutes Basin. The program requires all new groundwater uses to be permitted, identifies mitigation tools and programs, limits the amount of withdrawals, and reviews all current withdrawals every five years. The goals for the program include maintaining the Deschutes River's scenic waterway and in-stream water rights, accommodating new growth through new ground water development, and facilitating the restoration of the Deschutes River.

One unique way that OWRD manages groundwater use is through mitigation banks. These virtual banks are cooperative, non-profit brokerages that coordinate members' policies and plans regarding water use. These "water co-ops" organize water sellers, or organizations that own water rights, and match them with prospective buyers. The banks have cooperatively-established rules and deal in temporary or permanent water re-allocation. The existence of these banks ensure the validity and continuity of water rights, oversee quality control, ensure a reliable and transparent market with stable prices, and guarantee an orderly transition between users. Proponents of mitigation banks cite that the banks respect existing water rights, uses, and interest, does not interfere with current irrigation district operations, and uses existing legal and administrative tools for buying and selling water rights transactions.
Agriculture

Agricultural activities in Central Oregon are largely dependent upon irrigation water delivered by a few major irrigation districts. Some dryland forage or other dryland crop activity does/can occur but is insignificant relative to the activity on irrigated lands. The availability to have or obtain irrigation water is so critical to the success of agricultural activities that in some circumstances having such irrigation rights impacts land zoning designations. In Central Oregon, the presence of irrigation water/rights is even more significant in determining agricultural potential than inherent soil characteristics or productivity class. Irrigated lands in Jefferson County produce more diversified crops than in Deschutes or Crook counties where forage production predominates- this distinction is largely attributable to more crop favorable soils and micro-climate conditions in Jefferson County.

Jefferson County

Irrigated crop production in Jefferson County is focused largely on high value vegetable and grass seed crops, peppermint for tea leaves and specialized potatoes. In addition, there is a significant amount of alfalfa and grass hay production, with wheat historically used as a rotational crop.

It is estimated that 85 percent of hybrid carrot seed used in the United States is produced in Jefferson County. When you eat "baby carrots" from the grocery store, the seed was likely produced locally. Worldwide, it is estimated that 70 percent of the hybrid carrot seed comes from Jefferson County. The Jefferson County town of Culver claims to be the “carrot seed capital of the world.”

The major grass seed crop is Kentucky bluegrass used for lawns. Jefferson County is also the primary production area for rough bluegrass, used in warm season climates to over-seed turf areas in the winter. This provides a green lawn when the warm season grasses have gone dormant and the lawns would otherwise be brown.

Peppermint in Central Oregon has historically been grown for oil used in chewing gum, toothpaste and candy. More recently production has shifted to tea leaves used for peppermint tea, an alternative to traditional tea drinks. Much of this product goes to Europe.

Deschutes County

The major seed production in Deschutes County since the early 1970s has been grass seed---primarily bluegrass. Until the early to mid- 1970s, berries were grown for certified plant stock, not berry production. Peppermint was first grown in the late 1960s and has been produced yearly since then, primarily for oil, with root stock acreage fluctuating from 5 to 100 acres. The production of peppermint oil has fluctuated from 60 to 600 acres (average being 250 acres). A number of various crops have been grown in Deschutes County over the past 25 years. With the need to diversify, new crops come
and go. A given acreage of grain crops are always present, primarily used in rotation with alfalfa or potatoes.

Potato acreage has varied from a high of well over 2,250 acres in 1969, to a low of about 230 acres in 1992. The bulk of the potato production takes place north of Highway 126 in the Cloverdale, Terrebonne, north Redmond, and Lower Bridge areas. Most of the potatoes are grown for seed potatoes rather than commercial.

Forage production, in support of livestock, represents the bulk of irrigated land activity in the balance of Deschutes and Crook counties.

**Climate Considerations**

The Central Oregon climate is best described as cool and dry. Precipitation varies from 14 inches to less than 10 inches. The standard explanation for the climate is that Central Oregon lies in the “rain shadow” of the Cascade Mountains. This means that warm moist marine air from the Pacific rising over the Cascades cools while ascending and loses its moisture holding capacity and thus rains or snows predominantly (although not exclusively) on the west slopes. While Chemult averages only 16 inches of snow each year, Crater Lake, 20 miles to the west of Chemult, averages 540 inches.

With a cold and semi-arid climate and predominantly shallow, rocky soils, Central Oregon has a limited inventory of indigenous plants. On the Cascade slopes, ponderosa pine forests prevail, ranging down to about 3,500 feet. They also extend to the east of the Deschutes in the Blue Mountains, the Paulinas, and Walker Rim. Below 3,500 feet, the juniper forest takes over. Where the juniper cannot grow, sage, Bitterbrush, and grasses predominate. Introduced plants include Rabbitbrush, Cheatgrass, Mullein, and various weeds.

The COAMP region is predominantly within Climate Division 7 (South Central Oregon) as established by the National Climatic Data Center.

**Climate Division 7 -- South Central Oregon**

South Central Oregon is a vast area of high desert prairie punctuated by a number of mountain ranges and isolated peaks. This region is predominantly livestock country; in addition to beef cattle, there are large numbers of sheep, dairy herds, horses, and swine. There are large amounts of land under irrigation as well, particularly in the Deschutes, Crook, Jefferson, and Klamath Counties. Among the major field crops grown are potatoes, alfalfa and other hay crops, mint, wheat, oats, barley, and onions.

Most of the weather stations in Zone 7 receive less than 15 inches per year. However, some of the higher mountain sites receive significantly greater precipitation. Most of the stations in Zone 7 receive their highest monthly precipitation in the winter months with a secondary maximum during late spring and early summer. For other locations, the precipitation is greatest during spring and summer. Stations near the Cascades (such
as Sisters, Bend, Chiloquin, Klamath Falls, and Madras) tend to have annual distributions very similar to those in western Oregon: winter maximum are followed by a steady decrease, with lowest monthly averages in midsummer. Summers are generally quite warm, although the relatively high elevations tend to moderate the temperatures somewhat. Pelton Dam and Dayville, with mean maximum temperatures in the 90s during the warmest summer months, are the hottest stations in this region.

Climate Change
It is noted that climate change is an important management issue for the COAMP region and for all CSF land assets. At its February 2011 meeting, the State Land Board heard from academic climate experts and state agency directors as to possible strategies to prepare for anticipated regional (and worldwide) climate changes in the coming decades. All of this considered, none of the COAMP recommended strategies or highest and best use recommendations for any single or group of COAMP sites is changed or modified in response to possible, future climate change conditions. COAMP sites proposed for sale or trade likely will not experience measurable climate change within the Plan timeline. Those sites recommended for long-term holding are best served to wait for definitive indications of actual climate change to determine the optimal management response. Therefore, in as much as anticipated and actual climate change factors are being planned for and/or experienced throughout the state; this consideration does not impact or modify the site recommendation or implementation actions. As actual, future changes in climate and land cover conditions manifest, staff will evaluate the circumstances at that time to determine how best to respond to and manage actual changes.

Major Plant Communities in the Deschutes Basin

Although a few COAMP sites contain scattered, non-commercial stands of Ponderosa Pine and other mixed conifer species, the majority of COAMP sites are dominated by juniper woodlands and sagebrush grasslands or shrublands. Most COAMP sites are “uplands,” although a few extend to or are near a creek bottom or riparian zone.

The plant communities of the Deschutes uplands vary widely with elevation and precipitation. Vegetation ranges from hemlock and alpine forests in the upper elevations of the Cascades and Ochoco Mountains, to sagebrush shrublands in the uplands of the middle and lower basin.

Juniper and Sagebrush
Much of the uplands in the central and eastern parts of the Deschutes Basin are covered by sagebrush grasslands and western juniper woodlands. The sagebrush grasslands have an overstory of sagebrush and other shrubs such as Bitterbrush and Rabbitbrush and an understory of perennial bunch grasses and forbs. Western Juniper is a long-lived conifer that can survive with as little as eight inches of annual
precipitation. Young juniper can occur intermixed with sagebrush and other shrubs and grasses. However, as a stand matures, the juniper outcompetes with other vegetation for the limited water available resulting in a loss of understory vegetation.

Before European settlement, fire helped maintain the distribution of these plant communities. Juniper, a species intolerant of fire, was largely restricted to areas with shallow soils and little understory vegetation that could carry flames. These were often rock outcrop areas. In contrast, the shrubs and grasses of the sagebrush steppe were adapted to fire and could quickly reestablish themselves after periodic burns. But fire suppression by humans has led to a dramatic change in the distribution of the vegetation in these two habitat types. Since European settlement there has been a 70% increase in juniper woodland acreage in the Deschutes Basin, with most of this expansion displacing sagebrush shrublands.

Unique Plants of the COAMP region
There are five plant species that grow only in Central Oregon - nowhere else in the world. Botanists call this "endemic to Central Oregon". These endemic plant species are found in a variety of habitats: along moist riparian banks of the Deschutes River, in Ponderosa Pine forests, in high desert shrub communities dominated by Bitterbrush and Sagebrush, and on alpine peaks. Botanists don't know why these plants are only found in Central Oregon, or the roles they play in their respective plant communities. However, it is known that these species are adapted to Central Oregon's unique volcanic soils, even if botanists don't understand their importance.

In the COAMP region, Green-tinged paintbrush, Peck's Milk-vetch and Peck's penstemon are identified as listed endangered species. Two COAMP sites, Red Band Road Tract (Site #28) and Highway 20 Tract (Site #29), are identified as possibly containing Peck's Milk-vetch.

Central Oregon Habitats and Wildlife
Unlike the wetter regions west of the Cascades, plant and animal life in Central Oregon and the COAMP region is less diverse but hardier due to the arid nature of the region.

Central Oregon has a wide variety of habitats including mountain high country, conifer forest lands, riparian areas, and high desert. These habitats are home to many animal species. Common large mammals include American black bear, cougar, bobcat, coyote, Gray Fox, Red Fox, Mule Deer, Black-Tailed Deer, Rocky Mountain Elk, Pronghorn Antelope, and Bighorn Sheep. Examples of smaller mammals found in Central Oregon are beaver, raccoon, weasel, otter, mink, fisher, marten, striped skunk, Black-tailed Jackrabbit, Mountain Cottontail, Pygmy Rabbit, Golden-Mantled Ground Squirrel, and Least Chipmunk.
Twelve species of hawks and eagles are found in Central Oregon. There are also five falcon species. These birds of prey include Bald Eagles, Golden Eagles, Northern Goshawk, Northern Harrier, Red-tailed Hawk, American Kestrel, Prairie Falcon, and Peregrine Falcon. There are 13 owl species, including Barn Owl, Barred Owl, Boreal Owl, Burrowing Owl, Great Gray Owl, and Great Horned Owl. Turkey Vultures are also common. Central Oregon is home to seven woodpecker species, including Downy Woodpecker, Hairy Woodpecker, and Lewis's Woodpecker. Northern Flickers are found in the Central Oregon woodlands. There are a number of smaller birds as well. These include various larks, tanagers, swallows, jays, crows, chickadees, wrentits, dippers, nuthatches, wrens, thrushes, and grosbeaks.

There are nine snake species found in Central Oregon. These include Western Rattlesnake, Gopher Snake, Rubber Boa, Northwestern Garter Snake, and Common Garter Snake. There are also numerous turtles, lizards, and frogs native to the region. These include Western Pond Turtle, Common Collared Lizard, Northern Alligator Lizard, Sagebrush Lizard, Short-Horned Lizard, Western Fence Lizard, Western Skink, Bullfrog, and Cascades Frog.

**Fire and Fire Risk in the Deschutes Basin**

Wildfire is a natural ecological process, but decades of fire suppression along with changes in land use and climate have increased wildfire risk in many areas of Oregon, including much of the Deschutes Basin.

Wildfires in Oregon can occur during any time of year, but nearly all burn between July and October. Fires ignited by lightning or humans are common in the dry forests and grasslands of Central Oregon. The wildfire-prone areas in the Deschutes Basin include some of the state’s fastest growing communities. Consequently, there is a noted wildfire risk for many (if not most) COAMP sites as the Wildland-Urban Interface is the locale of many COAMP sites.

Some Central Oregon vegetation and plant communities are actually dependent upon fire as part of their natural life cycle. Fire suppression has interfered with this otherwise natural fire cleansing cycle resulting in dangerous fuel loading and has also enabled the invasive spread of juniper to non-native habitats resulting in major impacts to historic or natural habitats and the wildlife that depends upon them.

COAMP site investigation and inventories specifically looked for and recorded site evidence of wildfire activity.

**ORBIC Rare Plants & Animals Data Review**

ORBIC is the acronym for the Oregon Biodiversity Information Center. The ORBIC information includes Oregon's most comprehensive database of rare, threatened and
endangered species. This database includes site-specific information on the occurrences, biology, and status of over 2,000 species throughout Oregon. It includes the state's only database of natural vegetation, with descriptions and information on the occurrences and protected locations of all known ecosystem types. As part of the Natural Heritage Network overseen by NatureServe, ORBIC is able to share this data nationally.

The Natural Heritage Data System provides information to guide implementation of the State Natural Heritage Plan, including the selection of natural areas for registration and dedication. It is also contracted to provide natural heritage and sensitive species information to state and federal agencies, and is accessed daily by public land managers, private developers, researchers and educators.

As part of the preparation of this Plan, DSL conducted an ORBIC search of all COAMP sites. This search resulted in one hundred and twenty-nine (129) element occurrence records or reports of actual sightings identified within a two-mile radius of a COAMP site. It is important to note that an occurrence or sighting within two miles of a COAMP site may not have any relevance whatsoever as to the actual COAMP site condition. Rather, if the COAMP site is within two miles of an ORBIC listing, it is included due to the proximity factor and a possibility that an occurrence may also be present on the subject property. Likewise, the absence of an ORBIC listing nearby or on-site does not preclude that actual species from being present on any given site but rather that it just has not been observed, reported and become part of the database. Appendix A includes a matrix identifying COAMP sites with recorded ORBIC occurrences. Sage Grouse were not identified as being present at any COAMP sites.

The ORBIC generated, detailed data sheets are confidential, generated for the specific purposes of the COAMP Plan preparation and are not to be distributed and, thus, are not included in this Plan. These detailed data sheets are conveyed in tabular and map formats. Select ORBIC site information was extracted and has been included in the Site Inventory Portfolios. The actual relevancy of ORBIC data for most COAMP sites is uncertain. This said, it is noteworthy that of the 34 COAMP sites, 11 sites included ORBIC listings (within two miles of the COAMP site) with 3 sites identified as actually containing ORBIC listed plant or animal species. The next step in investigating an ORBIC listing is to conduct a site specific field investigation/inventory searching for the target ORBIC species during the optimal season when such species detection is most likely. The results of this field investigation will guide the subsequent steps if any changes or alteration of the land cover is proposed.
IV. COAMP SITE DIVERSITY

COAMP sites represent a variety of different land classifications as defined by the 2006-2016 Asset Management Plan. All sites have been organized and categorized according to their inherent natural land cover type (i.e. forest lands, rangelands) or according to their highest and best use value potential (Industrial/Commercial/Residential [ICR]).

DSL Land Classifications

The following is a review of COAMP sites according to their AMP Land Classifications.

Rangelands

**Rangelands Leased:** RNGL – 771 acres. Sites #16, #22 and #23

**Rangelands Unleased:** RNGU – 1,227 acres. Sites #2, #4, #5, #6, #7, #11, #17, #18, #19, #20, #21, and #26

DSL Rangelands are listed in two different classes depending on their lease status: Leased Rangelands (RNGL) and Unleased Rangelands (RNGU). Fifteen (15) different COAMP sites (3-leased, 12-unleased) comprise these land classes. Those sites that are currently leased are recommended for retention and continued lease operations following the General Strategies in the AMP (page 40). Many of those sites that are currently unleased are recommended for a variety of actions including: sell, trade, hold for rangeland lease, and lease as a communications site.

Forest Lands

**Forest Lands:** FORS --- 436 acres. Sites #3, #24 Note: neither site includes commercial forest lands that could support commercial forestry/harvesting activities.

Two DSL Forest Land sites are included in the COAMP site portfolio and neither has commercial forestry potential. Fly Lake (Site #3) has very few trees while Fremont Canyon (Site #24) has more trees, yet is still not truly a forest land site with commercial forestry potential. The one COAMP site that has a better established forest tree cover, Peterson Burn Road (Site #25), is listed as an ICR site due to neighboring rural residences and the fact that it is not a commercial forest parcel. Peterson Burn Road may need some tree thinning for maintenance purposes.

Industrial/Commercial/Residential Lands

**Industrial/Commercial/Residential Lands:** ICR – 3,883 acres. Sites #8, #9, #10, #12, #13, #14, #15, #25, #27, #28, #29, #31, and #32
ICR lands are quite varied, ranging from potential industrial lands to future rural residential subdivision tracts to prime rural residential view lots to a possible destination resort addition. Some of these lands were obtained by DSL somewhat recently as In-Lieu lands from BLM and others have been held by the state since statehood. ICR lands represent a variety of land cover types and a variety of recommended highest and best uses. Generally, a site is categorized as ICR when managing and using it for a natural resource application (forestry, range lease, agriculture) is not thought to represent its highest and best use or returns to the CSF. Four ICR sites (Site #12, #14, #31 & #32) currently have active forage leases.

Rural Residential Subdivision Potential

There are three large COAMP sites located between the City of Prineville and Prineville Reservoir in Crook County that are classified as ICR, County zoned for 5-acre parcel sizes and recreational (rural) residential use. Each of these sites has the potential to become a rural residential subdivision. This region has generated other such subdivisions during the past decade and many of these developments remain incomplete, vacant or only partially occupied—a condition already established prior to the economic downturn of 2007-08. Market saturation along with various other circumstances are likely responsible for the inactive or failed status of some of these speculative rural subdivision ventures. Regardless of the current uncertain status of some of these neighboring ventures, various DSL COAMP sites have substantial future development potential. DSL’s “patient capital” prerogative allows for retention of these sites until market conditions rebound and the demand for new rural residential properties surfaces. The future development of these sites as rural residential subdivisions will require investment in zoning entitlement, road and infrastructure development, surveying and subdivision platting. Careful monitoring of market conditions will identify when the marketplace is ripe for such future potential development activity. A brief discussion of Feasibility Studies to support this type of decision-making is included below in the Land Valuation section.

These three Crook County sites are currently County zoned as Recreational Residential Manufactured Home 5-acre minimum (RRM5) and are DSL classified as ICR. West Juniper Canyon (Site #13) is 625 acres, contains a county highway and various other local public roads, and has various leases, including one for a pre-existing county aggregate stockpile area. Nearby Juniper Canyon (Site #14) is 635 acres, an original Section 36, and is currently rangeland leased. Cayuse Road Tract (Site #15) is 332 acres, located in a private road district with limited/challenged primary and emergency road access, is the “backyard” of surrounding and developed properties, and requires additional site road access to become developable. Each of these sites has development potential and challenges. The COAMP recommended use of these sites is to hold them for future residential development.
A fourth COAMP site, Davis Road Tract (Site #12) is 314 acres and also has residential subdivision potential. This site is currently County zoned as Exclusive Farm Use and abuts fully developed and occupied RRM5 subdivisions to the south and east. This property does not have water rights and cannot be reasonably farmed, especially considering the established surrounding residential uses. This scenic view-site property is perched above the Crooked River and has views of the Cascades Mountains to the distant west. Discussions with Crook County planning and ODFW staff have not identified obstacles or resistance to zone changes that will permit rural residential subdivision development. This is likely the most attractive of the possible rural residential subdivision properties and has the biggest entitlement challenges including Comprehensive Plan and Zoning Map amendments. The recommendation for this ICR classified site is also to hold for future rural residential development.

It may be determined that the supply of such rural subdivision lots in this area of Crook County will exceed the demand for decades and that holding these sites is not prudent or optimal management of CSF assets. If such a condition arises, it will likely be decided to sell (or exchange) these inactive land assets and re-invest in (or acquire) more active and profitable real estate assets.

**Destination Resort Development Potential**

The Cline Buttes site (Site #27) is 404 acres and is a combination of In-Lieu lands and a longer held property. This site is currently leased for resort planning purposes and is currently proposed for inclusion in the update of the Deschutes County Destination Resort Overlay Map. DSL obtained these properties with destination resort use as the identified highest and best use. Consequently, this site is DSL classified as ICR. These properties, located near the top of Cline Buttes, have spectacular views and abut a large BLM recreational trails area to the west. Eagle Crest destination resort abuts these properties as well.

**Other Industrial, Commercial, and Urban Residential Lands**

There are four major DSL properties within the COAMP region that already have adopted plans representing their highest and best use and thus are not dynamic elements of COAMP and are not assigned COAMP site numbers. These sites are noted here as follows:

**South Redmond Tract:** this 945-acre site is located directly south of the Deschutes County Fairgrounds and Expo Center in Redmond. Currently outside of the Redmond Urban Growth Boundary (UGB) and city limits, this property is proposed for future large-lot industrial development as discussed in the October, 2008 SLB adopted South Redmond Tract Land Use and Management Plan. DSL staff are actively engaged in a 3-county Regional Economic Opportunities Analysis to support and facilitate the future urban development of this and other industrial sites in the region.
Stevens Road Tract: this 640-acre site already has 12 acres within Bend city limits with aspirations to bring the balance into the Bend UGB and city limits. Located in southeast Bend, this property is proposed to be developed as a mixed-use nodal center offering residential, commercial, civic, educational, open space and high-tech manufacturing uses to this site as discussed in the June, 2007 SLB adopted Stevens Road Tract Conceptual Master Plan. DSL staff have actively participated in the city’s UGB expansion efforts and will continue to do so in the continuing UGB remand process. Upcoming County rezoning application from EFU to RR-10 may enhance possibility of Bend UGB inclusion.

Ward Road: this 40-acre site located approximately four miles east of Bend is the remnant of an original DSL section and is currently engaged in rural subdivision development. This 5-lot rural subdivision is in the entitlement stage of land use approval. A large, 24-acre common open space tract that surrounds the five lots will remain in DSL ownership. DSL will follow-through with the subdivision entitlement process and then await market recovery before subdivision implementation, construction and lot sales.

Forked Horn Subdivision: this 63-lot urban residential subdivision, located on a Cascade view endowed hillside in Redmond, is fully developed with buildable single family lots awaiting market recovery. This property was obtained in 2010 through a trade for mature forestland. This trade yielded not only this fully developed 63-lot subdivision, but also an adjoining 20-acre vacant “second phase” tract with great views. Located in southwest Redmond approximately ½ mile away from the new high school, the highest and best use of the 63-lot platted and built subdivision is obvious; while a decision regarding the vacant 20-acre second phase is best determined upon local residential land market recovery and establishment of future residential lot demand.

Agricultural Lands

Agricultural Lands: AGR — 82 acres. Site #1

Only a single site, Madras (Site #1), is classified as agricultural lands. This site is in an agricultural area and even has an irrigation conveyance ditch running through it, although this site does not have any water rights. Surrounding activities include irrigated agricultural lands and livestock operations. Railroad tracks parallel the east property line, with a county road between. The recommendation for Site #1 is to hold for future agricultural development if future feasibility investigations indicate adequate financial returns on investment costs.
Special Stewardship Lands

Special Stewardship Lands: SS – 844 acres. Sites #30, #33 and #34

Special Stewardship lands are ones that have or possess special characteristics or features that somewhat restrict pursuit of conventional highest and best use returns to the CSF. Lava Butte (Site #33) and Lava River Caves (Site #34) are lava flow sites that are hoped to be developable for energy potential at some future juncture. Tumalo Reservoir site (Site #30), is next to and periodically partially inundated by Tumalo Reservoir. The Tumalo Irrigation District (TID) has requested that DSL trade this site for other adjacent lands not subject to such periodic inundation—this discussion is on hold until SLB approval and adoption of COAMP. Tumalo Reservoir and Lava Butte sites are the only COAMP sites County zoned for Open Space/Conservation.

Mineral and Subsurface Estates

DSL owns considerable mineral and geothermal rights throughout the state, including Central Oregon. These mineral rights occur on lands where DSL holds both the surface and subsurface ownership rights and on “split estates” where DSL owns the mineral rights (or subsurface estate) but not the land surface associated with those subsurface rights. As a rule, DSL retains the subsurface or mineral rights when a property is sold or traded unless it can be demonstrated that there is no imminent or future value to those mineral rights.

As illustrated on the COAMP surface and subsurface ownership map found in Appendix C, these subsurface or split estates are spread throughout the COAMP region. A minerals study of the COAMP region was undertaken by the Department of Geology and Mineral Industries (DOGAMI) and concluded that, due to the thick volcanic basaltic flow layers in the COAMP region, that underlying mineral resource potential is uncertain and essentially unknown at this juncture. Furthermore, considering that split estate surface owners are not expressing interest to acquire such subsurface estate rights, it was determined that mineral and subsurface estate issues would not be the subject of this COAMP and that it is in the best interest of the CSF to maintain the status quo regarding these inactive subsurface assets.
V. CURRENT MANAGEMENT SITUATION

Healthy Ecosystems

Management of the COAMP sites is aimed at maintaining and enhancing healthy functioning ecosystems based on the native plant communities present. This means the mix of the soil, vegetation, water and air is balanced, sustained and resilient to natural disturbances and changes in environmental conditions over time.

Healthy, properly functioning ecosystems should have a natural assortment of grasses/forbs, shrubs/trees, and rushes/sedges as appropriate to the site. Within a healthy functioning ecosystem there may be a small percentage of non-native species present.

Noxious weeds are absent or controlled and invader species (cheatgrass, green rabbitbrush, juniper etc.) are only present in small percentages. Most parcels within the planning area are in reasonably healthy condition with the exception of those parcels most impacted by juniper expansion.

Wildland-Urban Interface

Wildland-Urban Interface is a term frequently used in fire management to describe the special circumstances and challenges of fire protection in the rural fringes of communities.

Many COAMP sites are located within the Wildland-Urban Interface. Public uses and activities that occur on COAMP sites are recreational uses such as hiking, target shooting, and riding bikes, OHVs and horseback. These and other public uses of COAMP sites result in trash/debris dumping, noxious/invasive weed introduction, homeless camps and fire threats.

Public Access

COAMP sites are generally open and available for dispersed recreational uses. Currently, no COAMP sites have restricted access [to protect improvements or resolve conflicts between public uses and lessees or adjacent property owners]. Because many COAMP sites are close to occupied properties, they are easily accessed and heavily used including informal trail systems.

Many COAMP sites do not have established legal or physical access. The public does not have the right to trespass on adjacent private land to reach the state owned parcels. Inadequate site access constrains the Department’s ability to routinely visit and monitor site conditions such as noxious weeds or whether harmful uses are occurring in trespass. While most adjacent landowners are willing to allow DSL to cross their land in
order to reach the State-owned parcels, in some instances this allows a surrounding landowner de facto control of the site. COAMP sites in this status are generally recommended for sale or disposal.

**Forage Leases**

Within the COAMP region there are currently seven active forage leases that are managed in conjunction with adjacent private/federal ownerships. Forage leases govern all livestock grazing activities on the leased parcels and establish the base Animal Unit Month (AUM - the amount of forage a 1000-pound cow and un-weaned calf can consume in a month) carrying capacity, designate leasehold boundaries and mandate management to prevent human-induced loss of ecosystem health. Typical lease terms are 15 years with 15-year renewals.

Table 9 lists the current active forage leases within the COAMP area.

<table>
<thead>
<tr>
<th>Site Number</th>
<th>Lease Number</th>
<th>Parcel Name</th>
<th>Acres</th>
<th>AUMs</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>FL-16404</td>
<td>Davis Road Tract</td>
<td>314</td>
<td>32</td>
</tr>
<tr>
<td>14</td>
<td>FL-16344</td>
<td>Juniper Canyon</td>
<td>635</td>
<td>64</td>
</tr>
<tr>
<td>16</td>
<td>FL-16308</td>
<td>North Combs Flat</td>
<td>318</td>
<td>32</td>
</tr>
<tr>
<td>22</td>
<td>FL-16350</td>
<td>Little Bear Creek N</td>
<td>316</td>
<td>73</td>
</tr>
<tr>
<td>23</td>
<td>FL-16350</td>
<td>Little Bear Creek S</td>
<td>316</td>
<td>73</td>
</tr>
<tr>
<td>31</td>
<td>FL-16320</td>
<td>Alfalfa Market Road</td>
<td>318</td>
<td>22</td>
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<tr>
<td>32</td>
<td>FL-16386</td>
<td>Todd Road</td>
<td>120</td>
<td>20</td>
</tr>
</tbody>
</table>

Current (2011) forage lease rates are $6.79/AUM with a minimum annual lease fee of $250. Half the existing leases in the COAMP area pay only the minimum fee. Many of the smaller, currently un-leased COAMP sites are not feasible to lease because the available forage value is not worth the minimum lease fee. These sites are generally recommended for sale or disposal. The existing leases are producing an average income of $1.25/acre for the 2,337 acres under lease. Appendix A includes an Active Leases Matrix identifying actual lease revenue and calculates the Return on Asset Value as directed in the AMP. These leased rangeland sites are not achieving the AMP cited ROAV and thus need re-evaluation for long-term management determination prior to lease renewals.

There is one COAMP site (Cline Buttes, Site #27) under Special Use Lease [SU-33991], for destination resort planning purposes. Current lease rate is $71.80 per acre per year. This is the only leased COAMP site achieving the minimum ROAV.
Wildfire

All the COAMP sites are vulnerable to wildfire to some extent. Some sites such as Lava Butte (Site #33), Lava River Caves (Site #34), and Madras (Site #1) are of minimal concern due to a lack of significant fuel loadings. Others, such as Fremont Canyon (Site #24) and Peterson Burn Road (Site #25), have heavier (forest) fuel loads and adjacent residential development. These sites are candidates for fuels reduction treatments, particularly if opportunities exist to participate in coordinated projects with adjacent landowners. The Stevens Road Tract, South Redmond Tract and Forked Horn Subdivision sites must comply with applicable fire codes which require a fuel-break to ensure the undeveloped, fuel-laden properties do not represent a fire hazard to adjacent developed properties. The Forked Horn Subdivision requires mowing on at least an annual basis to reduce vegetation in compliance with local ordinance. DSL contracts for periodic vegetation treatments to ensure ordinance compliance.

Noxious/Invasive Plants

Noxious/ invasive weeds are a major risk to healthy functioning ecosystems, a fire hazard in the wildland-urban interface and a concern to adjacent residents. COAMP sites do not currently have large infestations of invasive weeds and those parcels with isolated patches of weeds are associated with public recreation use such as parking areas and recreational trailheads. DSL actively identifies, maps, and controls noxious weeds where feasible in coordination with lessees. DSL participates in and supports local weed management cooperatives or districts, particularly where treatments across multiple ownerships are necessary to achieve effective weed abatement and control. This is a significant annual cost in both personnel and treatment on lands currently producing no income to the Common School Fund.

Wildlife Management Responsibilities and Coordination

DSL solicits recommendations from ODFW during planning processes and in the evaluation of lease applications. ODFW acknowledges their recommendations are advisory. DSL always considers ODFW recommendations. This may involve rejecting a use application, modifying a proposed activity or providing mitigation. ODFW recommendations may also be incorporated into local land use regulations.

Recreation Use Management

The heaviest and most damaging recreation use on COAMP sites is due to Off-Highway Vehicle (OHV) use. The OHV use causes erosion, elicits noise complaints and users frequently leave behind debris and trash. In one instance, discarded household appliances were used to construct jumps in an informal race course. DSL is responsible for cleaning up the property and restoring the damage caused by the OHV use. This
creates cost to DSL in both restoring damaged property and attempting to control the activities that damage natural resources and create hazardous conditions for other users.

**Permitted and Unpermitted Use Management**

Trash and debris dumping is a constant issue, particularly on sites immediately adjacent to residentially developed rural and urban areas. Fortunately, the cost of removing trash from COAMP sites is currently not overwhelmingly high due to an agreement with the Deschutes County Juvenile Department which uses crews of young offenders to remove debris and trash. DSL routinely monitors these properties, locating and mapping trash and debris dump sites and works with the county to get them cleaned up before they attract more dumping. DSL also responds to complaints by adjacent land owners regarding trash/debris dumping issues. Homeless camps have also become an issue, particularly on the South Redmond Tract. These camps create problems with trash and sanitation as well as occasional abandonment of vehicles.

**VI. COAMP COORDINATION EFFORTS**

**Coordination and Cooperation with Others**

The Department often corresponds with the general public, and local, state and federal government agencies as well as its lessees on actions pursued and decisions made. Forms of communication have included general written correspondence; radio, television and newspaper releases and legal ads; noticed and advertised public meetings and hearings; and personal contacts.

Local government officials have been well informed and have been supportive of Department actions due to frequent communications, including phone contacts and personal meetings for proposed activities with representatives from each county. Additionally, as noted elsewhere, DSL sent out letters to COAMP county and city governing bodies asking if they wanted individual presentations. Consequently, DSL staff made, in response to offer letters sent, special presentations to: Deschutes County Board of County Commissioners, and the City Councils of Prineville, Redmond and Madras.

DSL also presented the COAMP project to the COERT or Central Oregon Economic Revitalization Team. The COERT (to be re-organized as Community Solutions Teams) is a coordinated forum of state agencies cooperating to resolve regional issues.

Partnerships with lessees have been on-going to ensure contract obligations are understood and met. Lessees participate in Land Management Program compliance
and administrative inspections to enhance the knowledge and understanding of Department requirements.

DSL staff have had COAMP related discussions with staff from the BLM and USFS regarding COAMP sites and issues. The Department has also relied on various state agencies for their expertise including the Oregon Department of Fish and Wildlife, Oregon Department of Forestry, the Department of Geology and Mineral Industries, and the ORBIC. As noted in other sections of this Plan, ODFW has been an involved, cooperative state agency partner in the preparation of the COAMP.

**Land Use Compatibility**

The Department has a State Agency Coordination (SAC) Program that was updated and adopted in 2006. Under Oregon planning law, all state agencies whose actions and programs affect land use must adopt and submit agency coordination programs to the Land Conservation and Development Commission (LCDC). The primary purpose of this coordination program is to assure that state agency programs and actions related to land use, to the extent legally permissible, comply with statewide planning goals and are consistent with the acknowledged comprehensive plans of cities and counties. DSL’s SAC requires that this COAMP demonstrate that the activities and recommendations contained herein are compliant with the Comprehensive Plans and Zoning requirements for Crook, Deschutes and Jefferson Counties.

The Department’s SAC under Section 3, SAC Requirement 3 (page 47) regards land use program compliance and exceptions and DSL finds that no DSL programs are exempt from SAC and that all of DSL’s land use programs are compatible ones. SAC Requirement 4 for a Type 2 circumstance (page 51) applies when the need for a compatibility determination is based upon an action initiated by the Department. The four listed principal steps include:

1. Giving public notice to affected parties and agencies regarding a scheduled public hearing;
2. Identifying the content of public notices to include: a Plan summary, where to find copies of the Plan, comment deadlines, and hearing date, time, and location—the notice shall clearly request comments regarding the Plan’s compatibility with the affected local government comprehensive plans;
3. Directs the notice to be sent to planning departments of affected local governments; and
4. Directs that based upon comments received, the Department will adopt findings and conclusions demonstrating the Plan’s comprehensive plan compatibility and compliance with statewide planning goals.

COAMP sites have a variety of Comprehensive Plan Map designations and Zoning Map assignments as indicated on the individual Site Inventory forms. The proposed highest
and best use recommendations have all considered zoning related issues as indicated on the Site Notes. Currently all DSL leases and authorized site activities are in complete compliance with local comprehensive plans and zoning.

Current and proposed activities on COAMP sites are compliant with DSL standards, SAC requirements, and the Crook, Deschutes and Jefferson County Comprehensive Plans. The current and historic ranching and other agricultural activities on COAMP sites (in all three counties) are essentially outright permitted thereby not representing any conflict. Possible future alternative revenue generating activities (wind, solar and geothermal energy production, communication facilities) are typically administered as being conditionally permitted meaning that a conditional use application and approval are required. Possible rural residential development of the Davis Road Tract would require Comprehensive Plan Map and Zoning Map Amendments and subdivision approval/entitlement. At this juncture, there are not any foreseeable and/or likely conflicts or incompatibilities between the Crook, Deschutes and Jefferson County Comprehensive Plans and COAMP site recommendations.

**Global Climate Change and DSL’s Sustainability Plan**

Climate change is predicted for Central Oregon and various efforts are underway throughout the state to prepare communities, regions, agencies and programs to effectively respond to and plan for the dynamic implications of climate change. This is discussed above in the COAMP Area Description, Climate Considerations section.

Drought is a natural and consistent characteristic of these ecosystems and, consequently, climate changes resulting in more frequent and/or extensive periods of drought will be difficult to isolate and document. Additionally, definitively assigning changes in the landscape to long-term climate changes will require long time periods of monitoring, inventory and analysis.

Plant and animal species’ geographic ranges and distribution are directly determined by climate conditions such as temperature and rainfall along with ecosystem factors such as topography, slope, aspect, elevation, soils, geology, surface water and wet environs, etc. All of these factors, taken together, shape habitat and species distribution as well as competition, predation and other species interactions. Climate changes may shift suitable habitat ranges to higher elevations or latitudes (pole-ward). Climate changes may alter a species’ phenology such as nesting times or timing of migration.

Climate change has the potential for both positive and negative effects for biota through changes in habitat. Climate change may facilitate, impede or reverse exotic species invasion currently challenging plant and animal communities. Climate changes resulting in higher temperatures and/or decreased rainfall may influence the frequency and extent of wildfires. Climate changes may also result in changes to the length of the
snow season and the depth of snow accumulations - all of which may impact a species’ distribution and vitality.

Additional factors to consider when projecting consequences of climate change include: the effect of elevated CO₂ on a species’ water use efficiency, differing sensitivity of different life stages, species life span, and the migration of impacted species into or out of different marginal habitats. It is generally believed that animal species with localized seasonal migration patterns may be better able to adapt to changing conditions than long-range migrants by responding in a real-time fashion to real-time ground conditions that better enable them to feed, breed, nest, and raise their off-spring in sync with local environmental conditions.

In December 2008, the Land Board adopted DSL’s 2009-2015 Sustainability Plan that includes a section pertaining to rangeland resources. The primary management option to effectively respond to documented climate change is an adjustment to rangeland management plans to modify the grazing allocation or AUM, either increasing or decreasing it, in order to achieve a healthy, properly functioning ecosystem in a modified climate environment while maintaining long-term maximum revenues for the Common School Fund. Additional adaptive management activities may include acceleration or modification of the on-going programs of juniper eradication and invasive plant treatment to assist a challenged and changing ecosystem.

It will take decades to manifest, document, analyze and respond to climate change impacts in the COAMP area. The predominantly sagebrush steppe biome that comprises the region will likely be slow to respond to climate changes because this is a low-rainfall environment well adapted to drought conditions. Consequently, permanent climate regime changes will likely take at least 20-30 years to result in empirical ecologic transition in plant communities with a likely faster response in fauna. Given that the COAMP is for a 10-year time period, climate change induced modifications to flora and fauna will likely be more predictable (if they actually manifest) and thereby addressed in future Plan updates.

VII. LAND VALUATION AND FEASIBILITY STUDIES

Land Valuation

The 2006-2016 Asset Management Plan considers the Central Oregon land assets as important components of the overall Common School Fund real estate portfolio by virtue of having a specific implementation priority dedicated to them.

A routine activity included in the preparation of Area Management Plans is to establish a rough estimate of the real market value of the land. In the preparation of COAMP, actual
appraisals were not conducted, but rather the most current county assessor’s information was accessed and recorded. As noted elsewhere, the COAMP region has experienced profound fluctuations in land and real estate valuation during the past few years. The dynamics of these real estate changes has not yet settled and must be monitored routinely to know when the time is ripe to initiate implementation of the COAMP recommendations to achieve maximum values, returns and earnings.

Current Market Conditions and Land Value

With the current economy (March 2011), real estate sellers and buyers have taken a “wait and see” attitude regarding where marketplace real estate values are moving and trending. The real estate market in the COAMP region has been one of the most dynamic real estate arenas in the nation during the previous five years- the region has experienced a huge drop in real estate values in the past three years- especially in urban areas. Central Oregon has experienced unique highs and lows in real estate value appreciation and depreciation. The current real estate marketplace is still fluctuating and there is not wide held agreement that the marketplace has stabilized or established a definitive trend- either up or down. For these reasons, one of the most salient recommendations is to monitor marketplace trends to establish when a real estate value recovery trend has firmly and definitively been established.

Feasibility Studies

It is difficult to predict how often feasibility studies should be done, but due to the staff time and other resources required, it is recommended that these be done on as “As Needed” basis. Some areas such as Crook County may need a feasibility study for RRM5 properties only once in ten years, or as is indicated by annual area field inspections, as roughly one-third of the land in the county shares this zoning. With such a large supply of this type of land, it reduces the number of opportunities in which developing a large tract into five-acre parcels will be profitable.

It is recommended that a feasibility study be done when there is an indication of high demand for a type of property, such as small acreage rural residential property or industrial land. This can be noted through a marked increase in building permits, increasing area population, increasing market values and other economic barometers, such as increasing relocation inquiries to economic development groups.

A feasibility study should target a specific type of property, such as rural residential lots which should be defined by the needs of the local market. In some market areas, rural residential lots may only include tracts that are two to five acres while in other markets, the lots may range from two to one hundred sixty acres. Again, the area market shapes the types of properties in any given category.
A feasibility study needs to assess the following by gathering market information from the local Multiple Listing Service. These items include:

- Number of available listings annually within one category;
- Number of properties sold annually, and listings expired; and
- Average/median price changes annually.

Should this information prove favorable, population and employment trends should be studied to determine if this is a continuing trend or just a fluke.

More highly populated areas such as in Deschutes County should be monitored closely to determine whether it may be economically feasible to develop a property. Once the initial information indicates the timing is favorable, development costs should be analyzed and studied in contrast to the projected sales prices of the lots to ensure the success of the project. The length of time needed to develop the property must be considered as well as the time needed to sell all of the developed properties through market absorption.

The development costs are dependent of the expectations of the local market as well as the requirements of local zoning ordinances. Are paved streets required by the planning authority? Do buyers expect the property to be sold with an installed and operational water well? Do the Development Code standards in this jurisdiction require individual wells for each property or a community water system for an aggregation of lots? Do buyers expect a large discount for a property with no electrical service?

The highest and best use of a property has to be analyzed within the context of what is economically feasible, legally possible, physically capable and maximally profitable. Typically, the barometer of a successful project is to weigh the cost of development, the time needed to sell the project and opportunity costs of the projected sales. If the anticipated project returns matches or exceeds the Common School Fund’s targeted or anticipated rate of returns (which have been 3%-6% annually in more recent years), this would be considered a successful project.

VIII. LAND AND FINANCIAL STEWARDSHIP OPPORTUNITIES

This section of the COAMP, considers land asset value enhancement options that meet the Plan’s Purpose and Scope, as well as the Land Board’s objectives for management of Common School Fund Trust lands as described in the 2006-2016 Asset Management Plan.
Industrial, Commercial and Residential Uses

The majority of COAMP sites are DSL classified as ICR. As discussed above, these ICR sites are recommended for a variety of highest and best uses with rural residential home sites being the predominant recommendation. The specific recommendations for each individual ICR site are discussed in the Individual Site Inventories and Site Notes below.

Convert Rangeland to Agriculture

Investigate the feasibility to convert rangeland sites to agricultural use such as irrigated forage crops. From a revenue perspective, this conversion could provide annual income superior to rangeland forage leases or other uses.

To be financially feasible, the costs of conversion (including water right acquisition, water development and other permanent infrastructure) must be offset by the potential long-term lease or sale income. If DSL were to undertake this investment, the market rate lease revenue would need to be adequate to cover the investment and produce a reasonable rate of return to the CSF. If a lessee undertakes this investment the lease rate would need to recognized that investment over time.

Due to site variability factors, the practicality of such changes needs to be fully evaluated on an individual site basis. The factors requiring evaluation include:

- Soil capability;
- Groundwater/Irrigation water availability;
- Potential crops;
- Potential to attract a lessee;
- Market demand; and
- Possible impacts to rare plants and animals.

Lease for Renewable Energy Production

The Asset Management Plan directs DSL to: “Investigate and promote the development of renewable energy resources on CSF lands.” Recent high fuel prices, dependence on foreign oil, concerns for greenhouse gas emissions and state and federal energy policy have driven an increased interest in producing “clean” electricity from wind, solar and geothermal energy developments.

Wind

Though there are various newly proposed, approved or under-construction wind farm facilities coming on-line in COAMP counties or other nearby counties, there remains much that is unknown about the wind potential in the COAMP area. The commercial development of wind farms within the COAMP area could provide considerable revenue to the CSF.
Solar
According to energy experts, the West offers great potential for solar energy production. Currently, most activity is focused in the more arid desert in southwest U.S. with utility grade facilities located in the southern California desert areas. Some CSF Trust lands in the Christmas Valley area (south of the COAMP region) were recently leased for solar energy production. The same policy, economic and environmental concerns that are driving the interest in wind energy are pushing the current interest in solar. The COAMP region holds some aspects in common with these locations such as dry arid climate, low precipitation rates, few cloudy days and, wide open spaces. No study has been done of the solar energy potential or the feasibility of siting a utility grade solar energy production facility on COAMP sites. The Christmas Valley area to the south (recent solar lease) is very similar to the COAMP region for solar energy production potential.

Geothermal
There are various newly proposed, approved and/or under-investigation geothermal energy development proposals in the COAMP region. A commercial geothermal facility is under construction in eastern Oregon west of Vale. Additionally, new geothermal energy “harvesting” technologies and strategies are being explored. Nevertheless there remains much that is unknown about the geothermal potential in the COAMP area. The commercial development of geothermal energy facilities on COAMP sites could provide considerable revenue to the CSF. Geothermal explorations near LaPine at Newberry Crater are very near the Lava Butte (Site #33) and Lava River Caves (Site #34) COAMP sites [which Lava flow sites are recommended for future energy development].

There are concerns associated with the development of energy generation facilities. Among them are:

- Unknown energy generation potential;
- Environmental Impact of operations;
- Impact to lessees (if any);
- Impact of access road development/maintenance;
- Impact of power line extension site;
- Distance to transmission corridor power lines;
- Impacts to public recreation and loss of public access;
- Impacts to wildlife and wildlife habitat; and
- Impacts to groundwater status (due to groundwater use and disposal).

Lease for Communication Sites
There are a few hilltop locations within the COAMP area that could possibly be developed as communication sites. Chief among these is Grizzly Mountain (Site #5) for which the highest and best use recommendation is a communication site. The reason for this is that a nearby adjoining peak under BLM ownership is currently developed for this purpose. Road access and electric supply are already present to support these nearby revenue generating activities.
There are concerns associated with the development of communication sites. Among them are:

- Unstudied additional market demand/potential;
- Market feasibility and opportunity-driven by others;
- Impact of an additional communication facility on existing operations;
- Impact of access road development/maintenance;
- Impact of providing new power lines (if needed);
- Impacts to rare plants; and
- Impacts to wildlife and wildlife habitat.

**Issue Road and Utility Easements**

The development and location of public and private roads, power lines, pipelines and similar linear facilities on COAMP sites could result in additional one-time revenue to the CSF from the sale of easements. The sale of easements is not a business activity that can be predicted since they are dependent on the needs of others. Typically, the Department grants such requests with few restrictions and values the issuance based on the value of the land. Consideration of additional easement grants must be carefully evaluated to ensure future marketability and development opportunities are not compromised by poorly located easements.

**IX. SITE MATRICES, INDIVIDUAL SITE INVENTORIES, AND SITE NOTES**

The purpose of COAMP is to: inventory these CSF land assets, identify management issues, develop implementation guides and propose [best use] land management recommendations for the 34 COAMP sites. These recommendations were developed considering: individual site characteristics and amenities, regional and local development trends, the significantly fluctuating regional real estate marketplace, and opportunities to maximize the property values and financial contributions to the CSF.

The COAMP region has experienced dynamic changes in the economy, employment, real estate trends, and land values in the past five years. For these reasons, this Plan will likely warrant an update in ten years or less -- after the economy recovers and stabilizes and new trends have become established. The current dynamics of the Central Oregon regional economy has strongly influenced COAMP recommendations which favor exercising the “patient capital” prerogative of CSF lands that allows for such debt-free assets to be held until favorable market conditions yield desirable, targeted financial returns.

In the following sections and appendices, the COAMP is ultimately presented as a real estate inventory portfolio with different candidate implementation and management options available that best respond to the unfolding dynamics and trends of the COAMP regional real estate marketplace.
Site Matrices

The COAMP site data has been organized into different matrices. The following COAMP Site Matrix lists all sites by site number and name, identifies the map and tax lot reference numbers, acreage, county assessed real market value, current activity status, best use recommendation and land class. Appendix A includes: the Active Leases matrix identifying all leases generating revenue including the annual lease fee amounts and return on asset value (ROAV) as well as a matrix identifying and summarizing the ORBIC listings.
## COAMP Site Matrix

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<th>Map ID #</th>
<th>Parcel Name</th>
<th>County</th>
<th>TRS Tax Lot</th>
<th>≈ Acres</th>
<th>2010 County Real Market Value (RMV)</th>
<th>Status</th>
<th>Best Use (Preliminary)</th>
<th>Class Key Below*</th>
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ADOPTED October 2011  Central Oregon Area Management Plan 53
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**Jefferson County Total Acres and RMV** 234.00 $192,340

**Crook County Total Acres and RMV** 4569.00 $5,067,230

**Deschutes County Total Acres and RMV** 4278.00 $21,333,940

**COAMP Total RMV** $26,593,510

* **AGR**-Agricultural lands
  **FORS**-Forest lands
  **ICR**-Industrial/Commercial/Residential lands
  **RNGL**-Rangelands(Leased)
  **RNGU**-Rangelands(Unleased)
  **SS** - Special Stewardship Lands

* This valuation established by a professional appraisal in November 2009

**Master Plan and Subdivision Sites**
Site Inventory Portfolios

Appendix B contains the Site Inventory Portfolios for each numbered COAMP site. Each portfolio includes: a Site Flyer (full color aerial photos of the site and vicinity, an area reference map and core site fact/data summary), and a Field and Office Inventory Form that includes: summary information about the site (based upon records search and evaluation, field inspection, and data gathering), recommended use, assessed value, environmental information including ORBIC info, site specific cultural resources information, and ODFW comments (verbatim). ODFW staff provided comments for each site and those verbatim comments (without any modification, analysis or response) are included on each Inventory Form.

Regarding the inclusion of verbatim ODFW and other comments in the site inventories: the legal and fiduciary management obligations for the SLB and DSL staff regarding CSF Trust lands may substantially differ from those of other state and federal agencies actively engaged in wild lands and natural resources management. As stated elsewhere in this Plan, the primary mission for management of CSF COAMP land assets is to maximize returns to and the value of the CSF lands assets portfolio. Natural resources management (including wildlife usage) supports the primary goal of CSF land for asset value enhancement. However, in those circumstances where a local, state or federal government agency has expressed direct and noteworthy interest and comments regarding the management of a COAMP site and how that site may influence or impact the greater activities of that agency, DSL will avail first opportunity to purchase or trade that site to all state agencies as required by existing rules. DSL will subsequently avail the next opportunity to purchase or trade that site to that local or federal agency with expressed interest. All land sales prices (or minimum bids) start at full appraised value.

Site Notes

Site Notes summarize and highlight the most salient and important issues and considerations for each site. The Site Notes can be thought of as the bottom line summary of issues and recommendation for each site. Finally, the Site Notes summarize key COAMP site information related to best use and follow through implementation actions.

[Listed by Map Identification Number]

JEFFERSON COUNTY

1. MADRAS  Class: Agricultural  Recommend: Hold for agricultural development.  Issues: No irrigation/water rights; irrigation canal on-site; a couple of outcrop ridges. Irrigated crop farm activity to south, east and north.

2. BEAR CREEK  Class: Rangeland- unleased  Recommend: Sell  Issues: Isolated, distant site with no apparent access. Deer and Elk usage area.

commercial timber site- decertified by SLB on 2/10/1998 as a commercial forest land asset.

4. **WILLLOW CREEK**  Class: Rangeland-unleased  Recommend: Sell/trade  
   Issues: Surrounded by the Crooked River National Grasslands (USFS) - similar condition.

**CROOK COUNTY**

5. **GRIZZLY MOUNTAIN**  Class: Rangeland- unleased  Recommend: Communications site  
   Issues: Mountain top site- communications facilities on adjacent, nearby mtn. top; **ORBIC Listing: Disappearing Monkey Flower on-site & bald eagle nest off-site; elk winter range.**

6. **ALLEN CREEK**  Class: Rangeland- unleased  Recommend: Sell  
   Issues: No access; nearby Allen Creek is a summer steelhead recovery area. Deer winter range.

7. **MAHOGANY BUTTE**  Class: Rangeland- unleased  Recommend: Sell  
   Issues: Uncertain access, critical winter deer range- elk & deer use.

8. **PRINEVILLE AIRPORT**  Class: ICR  Recommend: Future industrial development  
   Issues: Site adjacent to county-owned Prineville Airport and industrial area. Currently outside of UGB and city limits.

9. **MILLCAN ROAD**  Class: ICR  Recommend: Future industrial development  
   Issues: No legal access; utility easements across site; near Les Schwab complex.

10. **POWELL BUTTES NORTH**  Class: ICR  Recommend: Sell  
    Issues: Fantastic Cascades view- 2 parcels/ home sites. Access uncertain- must be resolved. Uncertain utility and road/access easements across site- needs resolution.

11. **POWELL BUTTES SOUTHEAST**  Class: Range- unleased  Recommend: Sell  
    Issues: Access uncertain; formerly forage leased (currently inactive); deer winter range; nearby antelope winter range.

12. **DAVIS TRACT ROAD**  Class: ICR  Recommend: Hold for possible future rural residential subdivision development  
    Issues: Current EFU-zoned site abuts fully developed/occupied rural subdivisions to south and east. Cascades view site overlooking Crooked River canyon. County and ODFW “OK” with subdivision.

13. **WEST JUNIPER CANYON**  Class: ICR  Recommend: Hold for possible future rural residential subdivision development- supportive RRM5 zoning  
    Issues: Current county aggregate stockpile lease site, access easements, public roads, school bus site, neighborhood US mail cluster box; possible cultural resources.

15. CAYUSE ROAD TRACT  Class: ICR  Recommend: Hold for possible future rural residential subdivision development- supportive RRM5 zoning  Issues: Private road district area (need legal access to site through district roads) with limited emergency access alternatives; site development requires additional site access opportunities- procure strategically located parcel for add’l required access.

16. NORTH COMBS FLAT  Class: Rangeland- leased  Recommend: Hold- range lease  Issues: Adjacent to Paulina Hwy, State Hwy. 380; year round elk, deer and antelope use; current forage lease; possible cultural resources.

17. SOUTH COMBS FLAT EAST  Class: Rangeland- unleased  Recommend: Sell  Issues: Adjacent to Paulina Hwy, State Hwy. 380; year around elk, deer and antelope use and near ODFW special management areas.

18. SOUTH COMBS FLAT WEST  Class: Rangeland- unleased  Recommend: Sell  Issues: Year around elk, deer and antelope use and elk migration corridor.

19. WICKIUP CREEK  Class: Rangeland- unleased  Recommend: Sell  Issues: Uncertain access; designated deer and antelope winter ranges and elk migration corridor and near ODFW special management areas.

20. HORSE HEAVEN  Class: Rangeland- unleased  Recommend: Sell/trade  Issues: Access uncertain- no legal access; deer and elk winter range

21. ALKALI CREEK  Class: Rangeland- unleased  Recommend: Sell  Issues: Two non-contiguous parcels/sites; access uncertain- no legal access- esp. north site; mule deer critical winter habitat area; north site has view of Prineville Reservoir.

22. LITTLE BEAR CREEK NORTH  Class: Rangeland- leased  Recommend: Hold-range lease  Issues: Current forage lease; critical deer winter range & year around deer and elk use; evaluate options prior to lease renewal in 2015.

23. LITTLE BEAR CREEK SOUTH  Class: Rangeland- leased  Recommend: Hold-range lease  Issues: Current forage lease; critical deer winter range & year around deer and elk use; evaluate options prior to lease renewal in 2015.

DESHUTES COUNTY

24. FREMONT CANYON  Class: Forest Land  Recommend: Sell/trade  Issues: Four different sites; access to some sites uncertain- no legal access; Metolius mule deer winter range; non-commercial forested sites; road and utility easements.
25. **PETERSON BURN ROAD**  
   **Class:** ICR  
   **Recommend:** Sell  
   **Issues:** Decertified for forestry on 2/10/1998; non-commercial forested site could be thinned; many nearby forest dwellings; Tumalo mule deer winter range; road and utility easements.

26. **FRYREAR ROAD**  
   **Class:** Rangeland- unleased  
   **Recommend:** Sell  
   **Issues:** BLM recreational trailhead and parking lot on-site; adjacent to former (inactive) county land-fill site; surface mining impact area; Phase 1 ESA report 9/30/09.

27. **CLINE BUTTES**  
   **Class:** ICR  
   **Recommend:** Lease/sell  
   **Issues:** Currently leased for destination resort (Thornburgh) planning purposes and proposed for inclusion in revised Deschutes County destination resort overlay zone; 6 sites- 5 contiguous; In-Lieu selection specifically for destination resort use; Eagle Crest resort adjacent to southeast; & BLM trails/recreation area to the immediate west.

28. **RED BAND ROAD TRACT**  
   **Class:** ICR  
   **Recommend:** Sell  
   **Issues:** Hilltop site; great Cascades and many directions view. Access uncertain- must be resolved.  
   **ORBIC Listing:** Peck’s Milk-vetch possibly located in southeast corner of site.

29. **HIGHWAY 20 TRACT**  
   **Class:** ICR  
   **Recommend:** Hold for agricultural development  
   **Issues:** No irrigation/water rights; scenic property with Cascades view; next to Hwy. 20 rest stop/view area and model airplane park; Hwy. 20 splits site; adjacent properties to north, east and southeast grow irrigated forage crops.  
   **ORBIC Listing:** Peck’s Milk-vetch possibly located throughout site.

30. **TUMALO RESERVOIR**  
   **Class:** Special Stewardship  
   **Recommend:** Sell/trade  
   **Issues:** subject to partial inundation from Tumalo Reservoir high water; Tumalo Irrigation District proposed land trade on-hold until COAMP adoption; Open Space and Conservation zoned site; within the Bull Flat National Heritage site; Bull Flat Road crosses site. Mule deer winter range.

31. **ALFALFA MARKET ROAD**  
   **Class:** ICR  
   **Recommend:** Hold- range lease  
   **Issues:** Current forage lease; scablands- rock outcrops and lava blisters; access uncertain; much trespass usage.

32. **TODD ROAD**  
   **Class:** ICR  
   **Recommend:** Hold for possible future rural residential subdivision development- supportive RR-10 zoning  
   **Issues:** Surrounded by rural subdivisions; good road and utility access; adjacent residential development; special road district; much trespass usage; forage lease and access easements.

33. **LAVA BUTTE**  
   **Class:** Special Stewardship  
   **Recommend:** Energy development /trade  
   **Issues:** Lava rock site south of Bend near homes; uncertain access, uncertain usage potential, good views; Open Space and Conservation zoned.

34. **LAVA RIVER CAVES**  
   **Class:** Special Stewardship  
   **Recommend:** Energy development /trade  
   **Issues:** Lava rock site near Sunriver; uncertain access, uncertain usage potential, good views; possible cultural resources site. USFS
comment included in Site Inventory comments. Surrounded by Newberry National Volcanic Monument.

The following COAMP “master planned” sites are also discussed above in the COAMP Site Diversity section under: Other Industrial, Commercial, and Urban Residential Lands.

- **STEVENS ROAD TRACT** - this 640-acre site located in southeast Bend is proposed to be developed as a mixed-use nodal center offering residential, commercial, civic, educational, open space and high-tech manufacturing uses as per the June, 2007 SLB adopted Stevens Road Tract Conceptual Master Plan. DSL staff have actively participated in the city’s UGB expansion efforts and will continue to do so in the continuing UGB remand process. Upcoming County rezoning application from EFU to RR-10 may enhance possibility of Bend UGB inclusion.

- **SOUTH REDMOND TRACT** - this 945-acre site is located directly south of Redmond (currently outside the Redmond UGB and city limits) is proposed for future large-lot industrial development as per the October, 2008 SLB adopted South Redmond Tract Land Use and Management Plan. DSL staff are actively engaged in a 3-county Regional Economic Opportunities Analysis to support and facilitate the future urban industrial development of this and other COAMP potential industrial sites in the region.

- **WARD ROAD SUBDIVISION** - this 40-acre site located east of Bend is currently engaged in rural subdivision development. This 5-lot rural subdivision is in the entitlement stage of land use approval. A large, 24-acre common open space tract that surrounds the five lots will remain in DSL ownership. DSL will follow-through with the subdivision entitlement process and then await market recovery before subdivision implementation, construction and lot sales.

- **FORKED HORN BUTTE SUBDIVISION AND TRACT** - this 63-lot urban subdivision located on hillside in southwest Redmond is fully developed with “ready to build” single family residential lots awaiting market recovery. This also includes an adjoining 20-acre vacant “second phase” awaiting local residential land market recovery and establishment of future residential lot demand. This 20 acre parcel will require an evaluation at that time whether to develop as lots or to sell as vacant land for development by others.
X. PLAN IMPLEMENTATION PROGRAM

This section identifies Implementation Actions or initiatives to achieve Plan recommendations for COAMP sites.

The time range for completion of action is identified as: Short-term (1 to 5 years following Plan adoption); Long-term (5 to 10 years following Plan adoption); and On-going (the Action is continually being addressed). Within the Short Term range specific years are targeted.

Land Management Staff

A. Increase Net Income from COAMP Land Assets through Development of Special Uses

- Action A-1: Agricultural conversions - Investigate the physical, financial and market feasibility of converting inactive lands and leased rangelands to irrigated agricultural land. This has been recommended for two COAMP sites: Madras (Site #1) and Highway 20 Tract (Site #29). Acquisition of irrigation water is crucial and limited, although Madras site has previously produced dry land crops. Ability to acquire water rights will be investigated during year 1. In the water limited Deschutes Basin, this will likely require purchasing water rights at a significant cost. Potential return on investment will be evaluated on an ongoing basis as cost estimates are refined. If projected internal rate of return does not exceed 7%, highest and best use will be reconsidered and other uses, sale, or exchange may be recommended for these sites. Implement conversions where water rights acquisition, return on investment and evaluation of site specific conditions are favorable and support the action. Conversion will likely require 3-5 years. Time Range: Years 1-5.

- Action A-2: Alternative Energy - Investigate renewable energy potential; encourage geothermal, wind and solar energy interests to investigate and develop alternative energy generation facilities on COAMP sites. Geothermal and wind are most likely to occur in conjunction with adjacent properties. This has been recommended for two COAMP sites: Lava Butte (#33) and Lava River Caves (#34). These sites are within a few miles of Newberry Geothermal development on federal land. If this trial development proves viable, similar development of these COAMP sites may be feasible. Development is likely to be 3-5 years out. Time Range: Years 3-5.

- Action A-3: Communication Sites -Investigate opportunities for communications site development. This is the recommended best use for Grizzly Mountain (Site #5) based upon existing facilities located nearby on a similar location. Additional opportunities may exist on other parcels such as Cline Buttes. If sites have potential, consideration should be given to developing infrastructure, including road and utility line extension, support structures and towers. Financial return
analysis would be conducted before implementation of such capital improvements, although site development may be exclusively conducted by lessees. Contact with industry representatives will be initiated in year 1. Development of specific proposals will follow as opportunities are investigated. *Time Range: Year 1.*

**B. Manage COAMP Assets for the Long-Term**

- Action B-1: Continue to inventory, map and abate invasive weeds. Continue treatments to control invasive weeds. Engage in cooperative invasive weed abatement efforts with lessees, state and federal government agencies, and applicable cooperative weed management areas. Monitor and document the effectiveness of invasive weed abatement activities. *Time Range: On-going.*

- Action B-2: Continue monitoring recreation uses on COAMP sites—especially off-highway vehicles. Evaluate and develop a management strategy to minimize adverse impacts, which may entail area closures. *Time Range: On-going.*

- Action B-3: Take actions necessary to assure that COAMP sites have verifiable legal and physical access prior to general real estate listing of the site. COAMP sites proposed for sale or trade to public agencies, lessees and neighbors may not have an essential need to establish such access. In those cases where the lack of established access may not have a disproportionate negative impact on land value, such sites may be sold prior to securing such access. Otherwise, COAMP sites proposed for general real estate listing should have free and clear access rights and opportunities secured prior to listing for sale to achieve competitive and maximum land sales value. *Time Range: On-going.*

- Action B-4: Manage COAMP sites to protect or mitigate impacts to resident plant and animal species that are considered “at-risk” or are listed at the state or federal level. *Time Range: On-going.*

- Action B-5: For any proposed ground disturbing activities, and particularly for any sites identified on the ORBIC listing, conduct surveys (as applicable) of “at-risk” and/or listed species. Manage COAMP sites to protect or mitigate impacts to resident plant and animal species that are considered “at-risk” or are listed at the state or federal level. *Time Range: On-going.*

- Action B-6: Conduct cultural resource surveys on all COAMP parcels prior to any ground disturbing activities or development. The DSL archaeologist will coordinate and consult with the State Historic Preservation Office, the Commission on Indian Services and all appropriate Tribes as COAMP projects develop. *Time Range: On-going.*
Asset Management Staff

C. Monitor Market Conditions and Development Activity

In order to maximize revenue from COAMP land asset sales, it is critical to monitor real estate market conditions including sales activity and real estate trends.

- Action C-1: Implement a program of routinely and systematically evaluating regional real estate sales activity and valuations. COAMP region real estate market conditions and sales activities are currently tracked and published/shared by various local sources. *Time Range: Year 1*

- Action C-2: Specifically supplement the information generated in Action C-1 with vacant land inventory assessments of rural subdivisions near COAMP sites recommended for future subdivision development. When real estate marketplace trends, land values, vacant land inventories and overall regional economic activity supports a decision to proceed; pursue subdivision and/or highest and best use land entitlement to develop COAMP sites to a maximum value status (as per the adopted DSL master plans). In those circumstances where marketplace indicators support further development action, either sell the entitled land asset, secure a development partner or unilaterally pursue actual land (and/or subdivision) development. This action pertains to: Stevens Road Tract, South Redmond Tract, Ward Road, Forked Horn Subdivision, Davis Rd. Tract, West Juniper Canyon, Juniper Canyon, Cayuse Road Tract and Todd Road COAMP sites. *Time Range: On-going.*

- Action C-3: Develop analysis and implementation protocols for land sales and acquisition. *Time Range: Year 1*

D. Manage COAMP Sites as a Long-Term Investment

- Action D-1: Re-classify a site as it is converted to a “higher and better use” such as ICR, Mineral and Energy Resources, or Agriculture. *Time Range: On-going.*

- Action D-2: Re-classify areas or sites to Special Stewardship as warranted based on inventory and analysis. Special Stewardship lands are those that represent a unique or significant natural or cultural resource. Management may require that the actual location of the site not be revealed on maps accessible to the general public. *Time Range: On-going.*

- Action D-3: Monitor and support Destination Resort Overlay designation and development of the Cline Buttes Site (#27). In the event the proposed Destination Resort does not move forward, consider other options such as linking to adjacent established destination resort. *Time Range: On-going.*
Action D-4: Carefully manage investments and expenses by conducting appropriate risk and benefit analysis to CSF investments:
  o Action D-4 (a): Exercise due diligence; evaluate potential financial returns and risks on new ventures prior to commencement. *Time Range: On-going.*
  o Action D-4 (b): Revenue enhancing investment proposals shall undertake project planning and implementation based upon strategic analyses, marketplace feasibility and cost/benefit analyses. *Time Range: On-going.*

**Land and Asset Management Staff**

**E. Consider the Interests of DSL’s Cooperating Partners:**

**Public Agencies, Lessees, and Neighbors**

- Action E-1: Maintain communication and notice protocols designed to assure that proposed project plans and management actions are shared with lessees, neighboring landowners, and local, state and federal agencies. Take actions to assure that resulting comments and input received are addressed, as appropriate. *Time Range: On-going.*

- Action E-2: When listing a COAMP site for sale, notify all state and local agencies (including the county where the site is located) to provide opportunity to comment and/or acquire. Specifically notify local, participating staff from cooperating local and state agencies that have expressed interest in that COAMP site. Likewise, if there is a lessee, the lessee shall have the option to purchase the COAMP site for appraised fair market value. If a lessee is not interested in site acquisition, then such option should be made available to neighboring property owners prior to a general real estate listing. *Time Range: On-going.*

- Action E-3: Exchange opportunities should be evaluated for any parcel along with land sale considerations. *Time Range: On-going.*
XI. CONTACT INFORMATION

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XII. CREDITS

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XIII. APPENDICES

Appendix A – Site Matrices
Appendix B – Site Inventory Portfolio
Appendix C – Region Maps
Appendix D – Site Due Diligence Checklists
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