



# Oregon

Tina Kotek, Governor

## Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

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

## State Land Board

## State Land Board

### Regular Meeting

June 10, 2025

### Agenda Item 5

Tina Kotek

Governor

Tobias Read

Secretary of State

### **SUBJECT**

In-lieu lands owed to the State of Oregon.

Elizabeth Steiner

State Treasurer

### **ISSUE**

Whether the Land Board should authorize the Department to accept a patent for an 80-acre property from the Bureau of Land Management for in-lieu lands still owed to the State of Oregon. The property consists of undeveloped forested land zoned high-density residential and inside the city limits of La Pine, in Deschutes County. If accepted, this would be a new school land addition.

### **AUTHORITY**

- Oregon Constitution, Article VIII, Sections 2 and 5; relating to the Common School Fund and land management responsibilities of the State Land Board.
- ORS 273.055; relating to the power to acquire and dispose of real property.
- ORS 273.171; relating to the duties and authority of the Director.
- ORS 273.335 to 273.350; relating to the Department authority to select and receive indemnity land (i.e. in-lieu land).
- OAR 141-067-0330; relating to the sale, exchange and purchase of state land.

### **BACKGROUND**

The federal government owes the State of Oregon approximately 1,477 acres of federal lands “in-lieu” of school lands not granted upon statehood in 1859. The Department is working with the Bureau of Land Management (BLM) on identified forestlands and industrial/commercial/residential lands as a priority for in-lieu acquisitions.

Among these is an 80-acre residential-zoned BLM property in the urban growth boundary of La Pine. Selected by the Department in 2019, this flat, forested property is primarily covered with low-value lodgepole pine and offers excellent access from both Burgess Road and Huntington Road. Surrounding uses include residential housing to

the east and north and privately owned undeveloped land to the west that has been on the market for many years. To the south lies Burgess Road, an elementary school and undeveloped county-owned land. Currently zoned RMF (Residential, Multi-Family), this allows for residential development at densities of 5 to 40 units per acre (map in Appendix A).

The BLM has completed their Determination of NEPA Adequacy on the property, confirming there are no cultural or biological concerns (see Appendix B). An adjacent landowner has a small trespass issue involving fencing and vehicle parking, and the BLM will resolve the trespass prior to transferring the property to the Department. The BLM has internal actions and approvals to complete, but the transfer is anticipated between July and September. To accept this transfer, the cost to the Department is \$0.

The zoning and location of the property make it an excellent candidate to support the Governor's mandate to prioritize housing in Oregon. Once acquired, the Department will plan the quickest and most cost-effective way to build housing on the site. Options include selling the property to a developer or partnering with the City of La Pine to create a development plan and market the site for sale.

### **PUBLIC INVOLVEMENT**

Public involvement included multiple steps from both the Department and BLM. First, BLM required that a "proposed classification of public lands for state indemnity selections" letter advertised in the Bend Bulletin for five weeks. Second, the Department opened a comment period concurrently, which was open from March 22, 2024 - June 18, 2024. Four comments were received (see Appendix C):

- One commenter expressed support for the selection.
- Two commenters expressed neutral positions, pending more information on land management plans and how the transfer benefits the State and public schools.
- One commenter misunderstood the Common School Fund connection and interpreted the Department's intentions to construct a school on the site.

### **RECOMMENDATION**

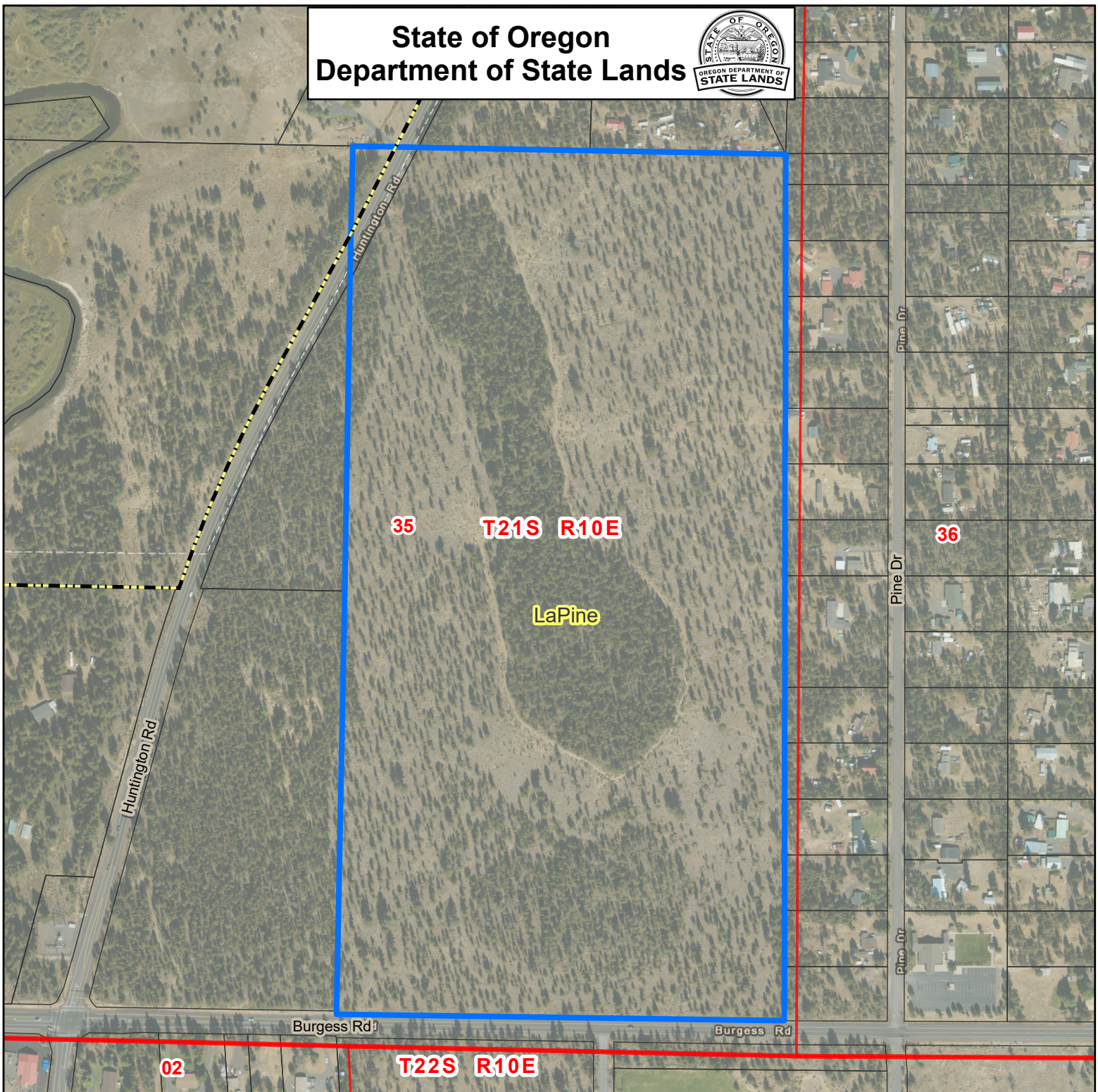
The Department recommends that the Land Board authorize the Department to accept in-lieu land, known as a patent, from BLM for an 80-acre property located in La Pine, at a cost of \$0.

### **APPENDICES**

- A. Site map
- B. Determination of NEPA Adequacy
- C. Public comments and DSL responses



# State of Oregon Department of State Lands



## Appendix A - In-lieu Property on Burgess Road, La Pine

**64934-LA In-Lieu Acquisition**  
**T21 S, R10E, Sec. 35, Tax Lot 100**  
**80 acres, Deschutes County**

- Proposed In-Lieu Acquisition
- Assessor's Tax Lot
- Township and Range
- Section
- City Limit

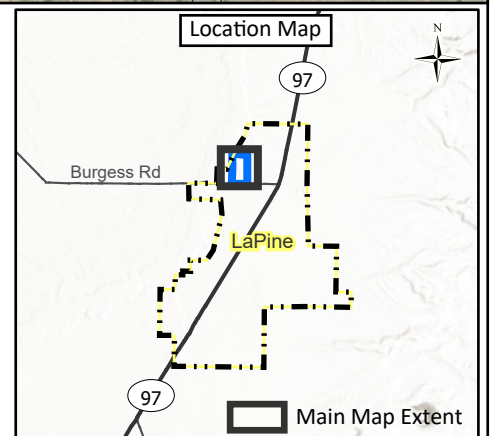
This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

0 200 400

Feet



Map Projection:  
 Oregon Statewide Lambert  
 Datum NAD83  
 International Feet  
 State of Oregon  
 Department of State Lands  
 951 SW Simpson Ave Suite #104  
 Bend, OR 97702  
 541-388-6112  
[www.oregon.gov/DSL](http://www.oregon.gov/DSL)  
 Date: 3/19/2024







U.S. Department of the Interior  
Bureau of Land Management

## Determination of NEPA Adequacy (DNA)

U.S. Department of the Interior  
Bureau of Land Management  
Prineville District  
Deschutes Field Office  
3050 NE Third Street  
Prineville, OR 97754

### A. Background

**BLM Office:** Prineville District, Deschutes Field Office

**National Environmental Policy Act register #:** DOI-BLM-ORWA-P060-2025-0001-DNA

**Project Case File #:** Burgess Road La Pine, OR - OROR 070351

**Proposed action title:** La Pine, Oregon Land Transfer to the State of Oregon

#### Location:

OROR 070351- The Burgess Road parcel is located in the west portion of La Pine, OR. The legal description is:

Willamette Meridian,  
Township 21 South, Range 10 East, Section 35  
E1/2SE

**Background:** When Oregon was admitted to the United States union, legislation granted sections 16 and 36 of every township to the state for support of its public schools. If any of those lands had already been disposed of or otherwise unavailable, the United States government is required to indemnify the state for the losses (43 CFR 851 and 852). In 1992 the United States District Court confirmed that the federal government owed the State of Oregon approximately 5,200 acres in indemnity and in-lieu lands.

In 1995, the Bureau of Land Management (BLM) entered into a Memorandum of Understanding (MOU) with the State of Oregon to establish procedural guidelines to comply with the court's direction and complete the land selections. Consistent with the 1995 MOU, the State of Oregon requested the La Pine parcel be assessed and processed for disposal as partial fulfillment of the federal government's obligation to the State. To date, the BLM still has approximately 1,400 acres to fulfill the court order, the parcel discussed here constitutes 80 acres or 5.7% of the remaining acres.

**Proposed Action:** The BLM proposes to administratively convey approximately 80 acres of Land Tenure Zone 3 (Z-3) lands to the State of Oregon. This conveyance consists of one parcel: Burgess Road in La Pine, OR at 80 acres. The parcel location is listed above and displayed on the map in Appendix A. These lands are classified for disposal (Z-3) under the governing land

use plan, there are no BLM proposed actions or ongoing projects within the parcel. The land conveyance partially fulfills BLM's obligation under the Indemnity Act of 1891, Oregon Admission Act of 1859, District Court Decision (1992, Civil No. 85-646-MA), and the MOU between the State of Oregon, division of State Lands and the BLM.

## **B. Land use plan conformance**

**Land use plan name:** Upper Deschutes Record of Decision and Resource Management Plan (RMP)

**Date approved:** September 2005

The proposed action is in conformance with the above plan because it is specifically provided for in the following land use plan decisions. The Upper Deschutes RMP classified these lands as Zone 3 or Z-3. Z-3 lands generally do not provide substantial resource, public, or tribal benefits; they are generally not cost effective for BLM to manage; or they represent a greater public benefit in other ownership. Z-3 lands are suitable for transfer, sale, or other disposal, including lands identified as having potential land use benefits for local community expansions (RMP, p. 184).

The subject parcel satisfies these criteria and has been designated in the RMP as Z-3. The La Pine parcel is a relatively small and isolated parcel of public land with limited resource values, is somewhat difficult and uneconomic to manage, and is situated adjacent to developed areas.

The RMP is available at the BLM office or on the internet at:

Upper Deschutes RMP: <https://eplanning.blm.gov/eplanning-ui/project/36346/510>

## **C. Identify applicable National Environmental Policy Act (NEPA) documents and related documents that cover the proposed action**

The following NEPA document(s) cover the proposed action:

- Upper Deschutes Resource Management Plan/Final Environmental Impact Statement, September 2004 (FEIS)
- Upper Deschutes Record of Decision and Resource Management Plan September 2005

## **D. NEPA adequacy criteria**

- 1. Is the new proposed action a feature of, or essentially similar to, an alternative analyzed in the existing NEPA document(s)? Is the project within the same analysis area, or if the project location is different, are the geographic and resource conditions sufficiently similar to those analyzed in the existing NEPA document(s)? If there are differences, can you explain why they are not substantial?**

Yes, the proposed action was analyzed in the Upper Deschutes FEIS. The Preferred Alternative described on page 182 Volume I, Executive Summary of the Upper Deschutes RMP/FEIS dated January 2005, refers to lands in the FEIS Map 6 as Z-3. The map and decision include

approximately 15,186 acres of land classified for transfer. These Z-3 lands include the parcel located in La Pine, OR.

**2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the new proposed action, given current environmental concerns, interests, and resource values?**

Yes, seven alternatives were considered in detail in the Upper Deschutes RMP/FEIS. Alternatives include one No Action/No Change Alternative and six action alternatives (Alternatives 2-7) that reflect various levels of change in direction from the previous Brothers-La Pine RMP.

An overview of the alternatives in the Proposed Upper Deschutes RMP/FEIS is provided in the Executive Summary on pages xxvii to xxxv, dated January 2005. Management Direction common to Alternatives 2-7 identifies lands for both retention and disposal based on resource values and overall management objectives.

All of the action alternatives strive to develop a balance of uses. The range of alternatives analyzed with respect to the proposed action is appropriate, given the current environmental concerns, interests, resource values, and circumstances. Alternative 7 is the Preferred Alternative and identified 15,186 acres as Z-3 lands suitable for transfer. The subject parcel is included in the Z-3 designation under the Upper Deschutes RMP/FEIS.

**3. Is the existing analysis valid in light of any new information or circumstances (such as, rangeland health standard assessment, recent endangered species listings, updated lists of BLM-sensitive species)? Can you reasonably conclude that new information and new circumstances would not substantially change the analysis of the new proposed action?**

Site specific surveys have been conducted for cultural, botanical, and wildlife resources, there are no Threatened and Endangered Species or their habitat within the parcels. A Minerals Potential Report and an Environmental Site Assessment have been completed. The methodology and analytical approach used in the existing NEPA document (Upper Deschutes FEIS, January 2005) is appropriate for the current proposed action. The proposed transfer of this parcels was reviewed by an interdisciplinary team of resource specialists. The staff reports show that there are no conflicts in this area and they are appropriately classified for disposal (Z-3) under the Upper Deschutes RMP.

Botanical surveys (2024): botany surveys found no BLM Special Status Species requiring protection or special management. There are no known Threatened and Endangered Species within the parcel.

Cultural surveys (2023/2024): cultural surveys were conducted, and no eligible sites are present within the parcel. On January 28, 2025, the State Historic Preservation Office (SHPO) concurred with BLM findings that the cultural resources identified are not eligible for listing in the National Register of Historic Places and no historic properties are affected by this undertaking (SHPO Case No. 25-0726).

Wildlife surveys (2024): The unit is outside of Threatened and Endangered Species habitat; no species of concern occur on the parcels. Consultation with regulatory agencies is not required for the proposed action.

Recreation: There are no BLM developed recreation facilities (trailheads or trails) located within the parcel described in the proposed action. The BLM is not aware of recreational uses on the Burgess Road parcel in La Pine. The BLM is aware of a socially developed trail system in the Rickard Road parcel.

Mineral rights: The petition filed by the Oregon Department of State Lands for the classification and application to obtain public lands also includes obtaining ownership of the mineral estate. The BLM completed a Mineral Potential Reports for the parcel and nothing in those reports precluded land transfer.

Encumbrances: Based on BLM records, approximately four existing and valid rights are present within the parcel. All valid and existing rights, in the form of rights-of-way, will be reserved and maintained during the land transfer process to the State of Oregon.

**4. Are the environmental effects that would result from implementation of the new proposed action similar (both quantitatively and qualitatively) to those analyzed in the existing NEPA document?**

Yes. The lands to be conveyed were specifically identified in the RMP and the impacts of disposal were addressed in Chapter 4 of the Upper Deschutes FEIS, Environmental Consequences on pages 256-265. About 15,422 acres or 4% of the planning area are designated for transfer or disposal. The proposed action described here is 80 acres or 0.5% of the 15,422 acres analyzed as Z-3 in the RMP. Therefore, the acres described in the proposed action are within the limits of the analysis within the FEIS.

**5. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action?**

An extensive public involvement process took place during development of the Upper Deschutes RMP and FEIS. Federal, state and local representatives, nongovernment organizations, numerous environmental groups and private individuals were engaged throughout the process. Several issue teams consisting of ten to fifteen people each were organized to address transportation and access, land ownership, grazing, recreation, and wildlife issues. Issue teams met periodically over a period of two years to provide input into designing the various aspects of the plan. Public meetings were also held and public comments were taken and analyzed by BLM staff.

The Oregon Department of State Lands published a Proposed Classification in the Bend Bulletin once a week for five weeks beginning on March 20, 2024. The Proposed Classification initiated a 45-day claims period and a 60-day comment period. Comments were received by the Department of State Lands and the BLM. Sixteen total comments were received (fifteen within the comment period and one outside of the comment period). All the comments were specific to a parcel that

was include in the Proposed Classification but later withdrawn by the Oregon Department of State Lands. The BLM proposed action is an administrative conveyance of federally administered lands, and because of this those interested in the potential future use of lands were directed to contact the Department of State Lands.

In the future, the BLM will publish an Initial Classification Decision in the Bend Bulletin. The Initial Classification Decision is protestable for a 30-day period. If no protests are received the decision becomes effective immediately. The signed conclusions in this DNA worksheet are an interim step in the BLM's internal review process and do not constitute a protestable or an appealable decision. Those who wish to protest the decision must wait for the publication of the Initial Classification Decision in the Bend Bulletin at a future date.

During preparation of this DNA the BLM mailed government-to-government consultation letters to four tribes with interest in the project area. The BLM mailed letters to the Burns Paiute Tribe, Confederated Tribes of the Warm Springs Reservation of Oregon, Confederated Tribes of the Umatilla Indian Reservation, and The Klamath Tribes. None of the tribes responded to the consultation request. The BLM meets with the tribes on an annual basis to discuss projects, including this project.

#### E. Preparers

Name	Title	Resource Represented
Larry Ashton	Wildlife Biologist	Wildlife
Kurt Hunt	Archaeologist	Cultural resources and Tribal relations
Ian Grinter	Botanist	Special status and invasive species
Kirby Bean	Geologist	Mineral report
Faith Simitiz	Realty Specialist	Environmental Site Assessment
Bradon Sikes	Realty Specialist	Administrative process and project management
Ferris Couture	Planning and Environmental Coordinator	NEPA review

Note: Refer to the FEIS for a complete list of the team members participating in the preparation of the original NEPA analysis documents.

#### F. Conclusion

**Management Determination** Based on the review documented above, the BLM has concluded that this proposal conforms to the applicable land use plan and that the NEPA documentation fully covers the proposed action and constitutes BLM's compliance with the requirements of NEPA.

---

Authorized Officer:  
Lisa M. Clark, Deschutes Field Office Manager



*The signed conclusion in this DNA worksheet is an interim step in the BLM's internal review process and does not constitute a protestable or an appealable decision. The decision on the action being implemented may be subject to protest under 43 CFR 2621.2 and program-specific regulations.*

## **G. Contact Person**

For additional information concerning this DNA worksheet, contact Ferris Couture, BLM, Prineville District Office, 3050 NE Third St., Prineville, OR 97754, telephone: (541) 416-6711 or email at [fcouture@blm.gov](mailto:fcouture@blm.gov).

## **H. References**

USDI BLM. 2004. *Final Environmental Impact Statement for the Upper Deschutes Resource Management Plan*. Prineville, Oregon.

USDI BLM. 2005. *Upper Deschutes Record of Decision and Resource Management Plan*. Prineville, Oregon.

USDI BLM. 2008. *BLM National Environmental Policy Handbook H-1790-1*. Washington, D.C. *Appendix 4 BLM Categorical Exclusions*.  
[https://www.ntc.blm.gov/krc/uploads/366/NEPAHandbook\\_H-1790\\_508.pdf](https://www.ntc.blm.gov/krc/uploads/366/NEPAHandbook_H-1790_508.pdf).



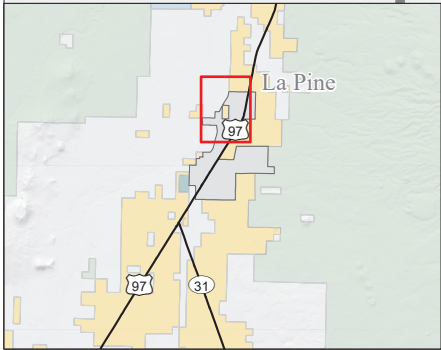
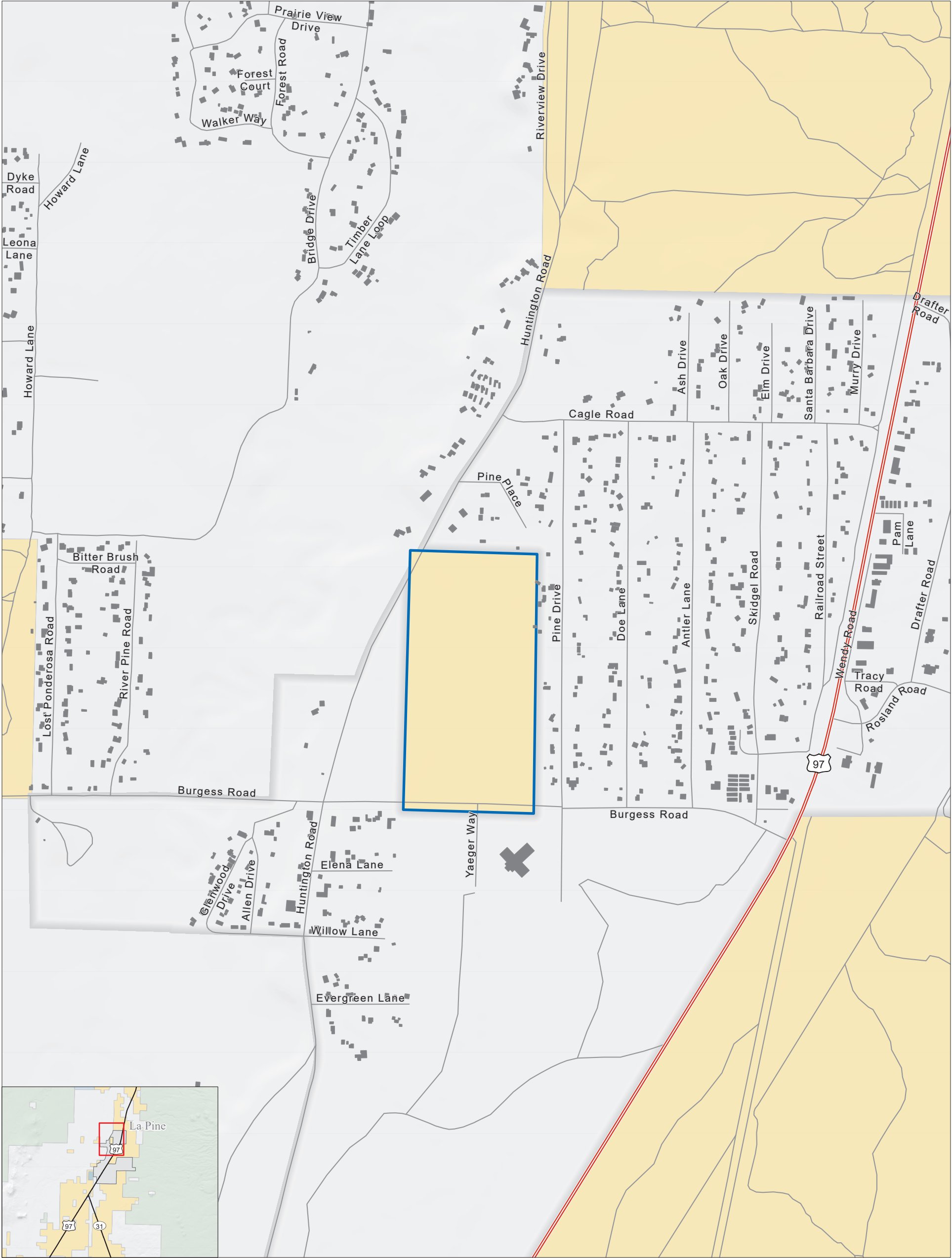
# Department of State Lands Transfer

Burgess Road Parcel

Bureau of Land Management  
Prineville District Office  
3050 NE 3rd St  
Prineville, OR 97754  
(541)416-6700



8/31/2024



### Legend

- Road
- U.S. Highway
- DSL Parcel
- Urban Growth Boundary
- Administered Lands
- Private/Other
- Bureau of Land Management



0 250 500 750 1,000 US Feet  
0 100 200 300 400 500 Meters

No warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of this map or the data displayed for individual use or aggregate use with other data.



## Public Comments and Agency Responses: 80 acre BLM Property in La Pine

Oregon Department of State Lands

The Oregon Department of State Lands held a public comment period from March 22 to June 18, 2024.

The Department received **4 comments** specific to the 80-acre property in La Pine, currently owned by the Bureau of Land Management. These comments are summarized below.

There was a second 440-acre BLM property in the Bend area that was also part of this same public comment process. As a result, some of the comments below also reference this other property. The Department is not pursuing acquisition of this other property.

*Comments are presented in the order they were received by the Department:*

**1. John Lilly 3/22/2024, [jel110248@gmail.com](mailto:jel110248@gmail.com) received by email to staff:**

Are these selections being made to eventually transfer to the Baldwin Trust??

Thanks

John Lilly, Salem OR

BTW, I think the LaPine selections are good ones....we'd have selected them in the 2000's but LaPine was a mess, still in the county, with water and sewer challenges. We tried for a large BLM tract north of Bend adjacent to the canal and right across from the Bend Wastewater Treatment Plant...alas the neighbors killed the transaction

**Department Response:** These selections are not related to the Baldwin Trust. If these selections are acceptable, they would transfer to the State as part of the remaining 1,477 acres of in-lieu lands. Please let me know if you have additional questions.

**2. Dan Stone 3/25/2024 - [daniel.stone@gilchristfp.com](mailto:daniel.stone@gilchristfp.com) has submitted the following comment on land transaction # 64934-LA & 64940-LA:**

To Department of State Lands,

Regarding the two land parcels in Central Oregon, Deschutes County that have been identified to meet criteria for In Lieu lands owed to the State of Oregon, I would like to know what the DSL's management plan is if these lands were to become part of the

common school's fund? To my understanding, the purpose of these lands is to support public schools. If these lands were to transfer ownership and management to the DSL, how would public schools' benefit? Does DSL plan to sell timber off these lands to create revenue for public schools? Is there timber on these parcels to create said revenue? Does it plan to charge a recreational fee to users to create revenue? Are firewood sales going to create a profit? Has any other revenue creating plans been considered? How, if at all, will this land benefit public schools? If there is no plan to create a benefit for public schools, what is the purpose of this land transfer? The sheer transfer of this land to DSL will unarguably create more work, time, effort, and money spent for DSL to manage it. How is this future expense for Oregon taxpayers worth it, if there is no benefit for public schools?

As a Deschutes County resident myself, I need a better understanding of how this land transfer benefits the State and public schools before I can fully support it.

Thank you,  
Dan Stone  
Deschutes County Resident  
Timber Industry Professional

**Department Response:** Thank you for your questions on the proposed BLM Classification Decision for in-lieu land transfer in Deschutes County. The Department of State Lands considers revenue potential in future land management on all possible in-lieu land transfers. These lands have been evaluated to have income potential for the Common School Fund. Timber management, firewood, and special use recreation were not considered for these sites. Because of the proximity to urban growth boundaries, these lands will be managed as industrial/commercial/residential (ICR) lands. These lands are usually sold for development, similar to the Stevens Road lands in southeast Bend or the industrial lands in South Redmond.

The majority of Oregon's school lands are managed with net operating income to benefit the Common School Fund. Please see this link about recent information about the Common School Fund:

[https://www.oregon.gov/dsl/Documents/NewsRelease\\_CommonSchoolFundDistribution\\_2024.pdf](https://www.oregon.gov/dsl/Documents/NewsRelease_CommonSchoolFundDistribution_2024.pdf)

This classification decision notice is one step closer to acquiring these lands, but it is possible that one or both properties end up not being acquired by the Department of State Lands.

Thank you for your comments and interest in this proposed BLM Classification Decision.

**3. Katrina Manning 4/26/2024 - katemanning53@gmail.com has submitted the following comment on land transaction # 64934-LA:**

I don't believe using the property for schooling is the best idea for the land. I believe it's moving in the wrong direction unless the school is agriculture and horticultural wildlife based. Outdoor schooling would be the only appropriate type of schooling in BLM land or it doesn't honor the land it's on. It's promoting a concrete society and ripping down forestry that otherwise would remain in touched to do so. So if the majority of the land can not be preserved and used in the purpose of education of that specific land than it should remain as it is and be opened to the public as a state park hiking and gathering/foraging by the people. But we are already heading in the wrong direction with too many public school buildings as it is. We are a nation of school buildings, prisons and nursing homes when we should be walking back in the opposite direction promoting families not slavery.

**Department Response:** Commenter misunderstood the Common School Fund explanation and interpreted the Department's intentions to construct a school on the site.

**4. Rory Isbell 6/17/2024 - rory@colw.org has submitted the following comment on land transaction # 64934-LA and 64940-LA:**

I am writing on behalf of Central Oregon LandWatch. LandWatch is a non-profit, public interest organization with over 900 members, located in Bend. LandWatch's mission is to defend and plan for Central Oregon's livable future, and we have advocated for responsible land use planning and the preservation of natural resources in Central Oregon for over 35 years.

Thank you for soliciting public comment on the potential transfer of BLM lands to the Oregon Department of State Lands in the City of La Pine and near Deschutes County's Conestoga Hills neighborhood. LandWatch is neutral on the proposed transfers, but we have an interest in the future use and management of these lands by the State of Oregon. The Conestoga Hills property in particular is zoned EFU, which protects these lands for exclusive farm use, open space, and wildlife habitat preservation, and any change in use of these lands is not allowed under Oregon land use law. Please notify us of the BLM's final decision on this potential transfer, including any terms or limitations concerning the transfer that may apply. Thank you.

Rory Isbell  
Staff Attorney & Rural Lands Program Director  
Central Oregon LandWatch

**Department Response:** Central Oregon LandWatch comment on Conestoga Hills (Rickard Road) was partially related to DSL's decision not to pursue that acquisition. The La Pine property is zoned RMF and fits within the Department's Asset Management Plan for ICR land classification for acquisition.