



Annual Report of the Real Property Program

*Sustainable Land Management
Fiscal Year 2025*

OREGON DEPARTMENT OF STATE LANDS

TABLE OF CONTENTS



3 Meet The Program

4 Program Services

5 Fiscal Year In Numbers

6 Takeaways From This Report

- Meeting Real Estate Needs
- Managing Wildfire Costs
- Updating Communication Sites

10 Strategic Plan Check-In

11 The Future

14 Appendices

- A: School Lands By Classification
- B: Program Performance
- C: Land Authorizations
- D: Land Transactions
- E: Rolling Three-Year Net Operating Income

Travis Simpson, Rangeland Property Tech,
mending a fence on school land in Prineville

MEET THE PROGRAM

Of the Department's approximately 763,000 acres of lands and waterways, 680,000 acres are called *school lands*. School lands provide diverse value to people in the state including revenue generation for the Common School Fund, economic opportunities in Eastern Oregon, and habitat improvements for important species like greater sage grouse. The Department of State Lands, specifically the Real Property Program, manages these lands. Real Property is staffed by 13 people in the Bend field office.

This Real Property Program Annual Report for July 1, 2024, to June 30, 2025 (FY25) covers the land management efforts on school lands including three key takeaways of the year, summaries of the program, and the outlook in the coming year. Additional information at the end of the report reviews the current school lands portfolio, analyzes school land financial performance, and details land sales and authorizations. Starting this year, the Real Property Program no longer reports on the Elliott State Research Forest activities or financial results. In addition, acreages and forestland reporting has been updated to align with the Asset Management Plan, adopted in December 2024.

The goal of this report is to provide current information about Oregon's school lands and how they are managed, as well as a snapshot in time of Real Property Program performance that can be measured against previous performance and used to identify and address factors affecting performance.



Rangeland Manager Randy Wiest has been with the Real Property Program since 2001

PROGRAM SERVICES

Leasing Rangelands

We manage a variety of leases, licenses, easements on 624,000 acres of rangeland, including providing grazing opportunities to local ranchers, communication towers, firewood gathering, and solar energy planning.

[More information](#)

Leasing Agricultural Lands

We lease approximately 7,000 acres of lands for agricultural use, which provide crop production opportunities to local farmers in rural economies of central and eastern Oregon.

[More information](#)

Protecting Cultural Resources

Through consultation with Oregon's nine federally recognized Tribes and the State Historic Preservation Office, our statewide archaeologist is dedicated to protecting Oregon's cultural resources on State lands.

[More information](#)

Habitat Protection

Often with the help of partners, our management of school lands benefit fish and wildlife habitat, including habitat for sensitive species like greater sage-grouse.

[More information](#)

Working Forestlands

We oversee management of approximately 39,000 acres of forestlands. State forestlands provide clean water, recreation, habitat, and carbon sequestration, all while supporting local economies through sustainable harvest.

[More information](#)

Land Transactions & Ownership

We respond to the evolving community needs around land by providing land transaction services for Department-managed land as well as mineral rights transactions for other state agencies.

[More information](#)

Industrial, Commercial, & Residential Lands

We manage approximately 4,000 acres of land near urban areas that are managed to maximize benefits to the Common School Fund through development or holding for eventual sale or development.

[More information](#)

Maintaining Public Access

In our management of lands, we maintain open lands for recreation, including hunting, fishing, hiking, and mountain biking.

[More information](#)

Diatomaceous earth mining facility on 659 acres of school lands in Harney County

FISCAL YEAR 2025 IN NUMBERS

\$987,063

*net operating income
program-wide
(2x previous year)*

\$325,715

*Common School Fund
income from land and
mineral sales*

256

*new and ongoing
authorized uses
on school lands*

\$974,710

*net operating income for
forestlands
(first positive NOI
since 2012)*

\$1 MILLION

*wildfire suppression costs
over 7 wildfires impacting
nearly 8,000 acres*

Green rabbitbrush and basin big sagebrush with an abandoned homestead on school lands in Harney County

TAKEAWAYS FROM THIS REPORT



1. Meeting Real Estate Needs



2. Managing Wildfire Costs



3. Updating Communication Sites

1. Meeting Real Estate Needs

The Department's land transactions and most of the State of Oregon's subsurface mineral and geothermal rights rest with the Real Property program to manage.

The Program usually has over a dozen active transactions at some stage between application and closing, including land sales, acquisitions, exchanges, mineral releases, title work, and more. Other transactions exist that are on hold or need further planning efforts.

21

*active transactions
incl. sales, acquisitions,
& exchanges*

5

*completed transactions
incl. land sale, mineral
sale, & deed exchanges*

\$325,715

*revenue from land and
mineral transactions*

96 STEPS

*required to be
completed on the
Land Sale checklist*

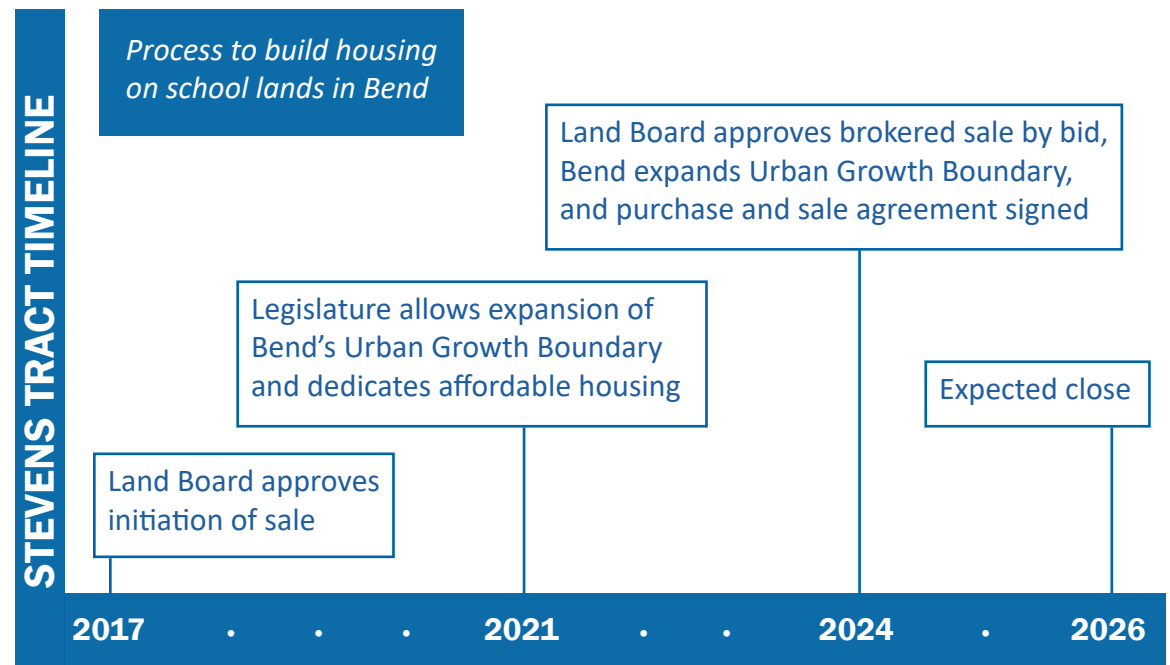
Challenge

There is one Land Transaction Analyst dedicated to land transactions in Real Property. Five staff provide assistance in these transactions, and occasionally, the Department of Administrative Services and a commercial brokerage contractor. Sales and acquisitions are time-consuming and require regular attention to due diligence work because there are protracted steps including: land use planning, negotiating terms, internal checklists, field inspections, appraisals, cultural assessments, Land Board approval(s), and legal matters to work through. Transactions with government agencies involve public notices and approval processes. Many of these transactions can take years to complete.

Next Steps

The Real Property Program is currently managing several high-profile transactions:

- The sale of 260-acres in Bend to a large Oregon-based homebuilder in early 2026
- 910-acres of industrial land in Redmond: subdividing the site, planning infrastructure and prepping for sales in the near-term (10+ year estimated completion timeline)
- 80-acres of recently acquired residential-zoned land in La Pine: planning the site for eventual sale on a multi-year timeline



2. Managing Wildfire Costs

From healthy forest management to landscape scale restorations reclaiming rangeland from invasive grasses, the Department spends time and money managing lands for wildfire prevention. But for active wildfire, the Department relies on partners. For forestlands, the Department pays fire protection fees to the Oregon Department of Forestry (ODF). These fees act as insurance and cover the cost of fire suppression work.

On eastern Oregon rangelands, the Department relies on the Bureau of Land Management (BLM) for wildfire response and suppression. As fires occur, the BLM crews manage wildfire incidents and bill the Department for propotional costs.

\$1 MILLION

*in wildfire
suppression and
protection costs*

\$83,600

*invoiced by BLM for
extinguishing
0.4-acre wildfire*

7,960 ACRES

*of school land
burned by
7 different wildfires*

Challenge

The unpredictable cost of wildfire suppression poses budgetary challenges for the Department. In FY25, the ODF protection fee was \$286,000 for school lands, mostly forestlands. BLM suppression costs were \$745,668 for 8,000-acres of wildfires on rangelands.

There is potential for these costs to increase in multiple ways, including increased fees; BLM has indicated additional fees for fire preparedness may be imposed when our current agreement expires in FY27.

Next Steps

As fire frequency has increased, expenditures on wildfire suppression have been significant to DSL and may become increasingly impactful.

Real Property may continue to rely on ODF, BLM, and 16 rangeland fire protection associations for handling wildfire on State of Oregon lands. The Department is evaluating all options, both internally and with its partners, on fees, coverage areas, and suppression standards. For example, some rangelands may not warrant the expense of aerial fire suppression if there are no structures nearby to protect. The priority is to keep school lands sustainable to ensure Common School Fund performance.



3. Updating Comms Sites

Real Property manages 29 leases on six communication tower sites in four counties.

The largest are in eastern Oregon: Burns Butte and Steens Mountain. The three sites in western Oregon are all within the Elliott State Research Forest: Dean Mountain, Baldy Butte, and Shutter Creek. Eight Dollar Mountain is in southern Oregon.

Communication sites provide critical services to Oregon's rural communities, including broadband, radio, and emergency services.

29 LEASES

on communication sites managed by the Department

\$57,400

revenue for all communication site leases

19 RENEWALS

of leases active

6 LEASES

of macro cellular towers

Challenge

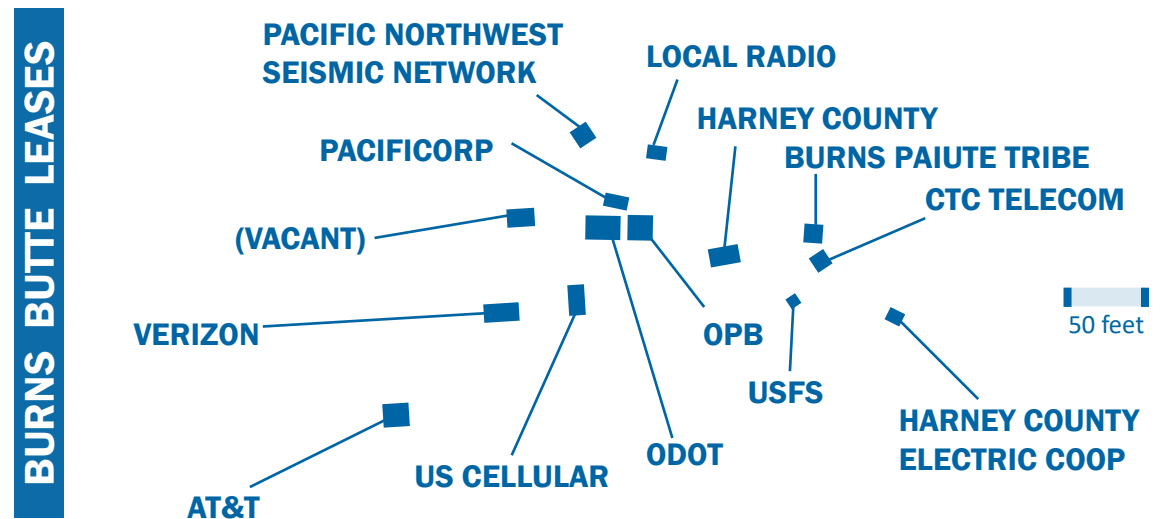
Sites for traditional communication facilities are inherently limited due to the topographic requirements of communication equipment, so profitability of existing sites is key.

In December 2024, the Land Board approved new administrative rules for communication site leasing. The rulemaking required updating lease documents, fee changes, and identifying subleases that were previously opaque to the Department. During the transition, the Department is initiating, renewing, or terminating 19 of the 29 leases. Fewer leases were paid in FY25 due to lease holdovers and new applications, but outstanding fees will be reflected in FY26 revenue. The Department started issuing new leases at the end of June.

Next Steps

As the Department updates new lease documents, we will be working through a backlog of lease renewals and holdover payments in FY26.

In western Oregon, the Shutter Creek site is new for the program and leases are still being rectified in FY26. In eastern Oregon, there is a new lease being initiated on Steens Mountain with University of Oregon Hazards Lab, a high-speed camera network that allows wildfires to be spotted and tracked remotely.



STRATEGIC PLAN CHECK-IN

The Real Property program is advancing the Department's **Strategic Plan** projects— specifically goals for Supporting Schools and Thriving Oregon.

Some examples of tracked objectives include:

- Implementing projects to improve rangeland health and reduce wildfire risks
- Increase performance through participation in the Western Forest Lands Habitat Conservation Plan
- Complete In-Lieu Land acquisitions from Bureau of Land Management
- Continue partnerships to promote sage-grouse habitat restoration

20

number of program projects

13%

program percent of total Strategic Plan projects

10%

percent of projects completed

70%

percent of projects in progress

20%

percent of projects not started

Looking up at the Burns Butte Communication Site

THE FUTURE



The Real Property Program has many upcoming actions, activities, and changes in the coming years guided by the implementation of the [2024 Asset Management Plan](#).

The Department extends its gratitude to our dedicated staff and partners for their efforts in the management and protection of Oregon's land.

Rangeland Manager Randy Wiest showing Director Kaitlin Lovell and staff where a substation may be located on the Wagontire school lands tract

THE FUTURE: SIX UPCOMING ACTIONS

1

DSL-MANAGED FORESTLANDS

With five timber projects underway, FY26 may be a significant revenue year for DSL-managed forestlands.

2

RENEWABLE ENERGY

The three solar authorizations have not started any construction but are still active in planning development. In 2026, a geothermal license to explore energy production development at Crump Lake is anticipated.

3

HABITAT MITIGATION

Solar developers have expressed interest in working with the Department on conservation easements for renewable energy habitat mitigation. Staff have been working with Oregon Department of Fish and Wildlife to explore benefits to school lands.

4

PRINEVILLE

Interest is growing for 320 acres near the Prineville airport. The Department is examining options for the best-use scenarios to benefit the Common School Fund.

5

PARTNERSHIP PROJECTS CONTINUE

Rangelands continue habitat uplift projects on 16,000 acres with three juniper removal projects and four noxious weed management projects involving seven partners.

6

RULEMAKING

Real Property is working on updating rules for mining and easements in the coming years.

Native wildflower hoary tansyaster on school lands

THE FUTURE: FOUR PRIORITY PROJECTS

1

STEVENS ROAD TRACT

The sale of the Stevens Road Tract in Bend was agreed to in late summer 2025. The closing should occur early in 2026. This will have a significant impact to the Common School Fund. Once sold, the land will be developed for housing and commercial sites, including 20 acres of deed restricted affordable housing with seven acres dedicated for educators.

2

SOUTH REDMOND INDUSTRIAL LAND

New planning is underway on the 920-acre South Redmond property, dividing the site into 50-acre lots which will have greater demand and jumpstart site development.

3

LANDS OWED TO THE STATE

Ongoing in-lieu land acquisitions from the Bureau of Land Management continue, with the acquisition of an 80-acre residential property in La Pine completed in September 2025. Staff are still identifying lands for remaining 1,397 acres still owed to the State.

4

GEOLOGIC CARBON SEQUESTRATION

The Department is working with the Department of Geology and Mineral Industries to explore Oregon's potential for geologic carbon sequestration. The two agencies will drill an "information hole" to explore if the geology is conducive for sequestering carbon in the future.



Land Manager Shawn Zumwalt points to areas of infrastructure development on the Stevens Road tract

APPENDIX A: SCHOOL LANDS BY CLASSIFICATION

This table shows acreages of school land classifications at the end of FY25. This data was calculated from the mapping database, not deeded acres. Because of the new Asset Management Plan, which split-out land classifications, these acreages are managed by the Real Property Program.

- **Constitutional lands** are obligated to the Constitutional Common School Fund because these lands are or were related to the lands set aside for the purpose of schools in the Oregon constitution at statehood.
- **Statutory lands** were set aside through federal or state statutes, and are obligated to the Statutory Common School Fund.

School Lands Ownership

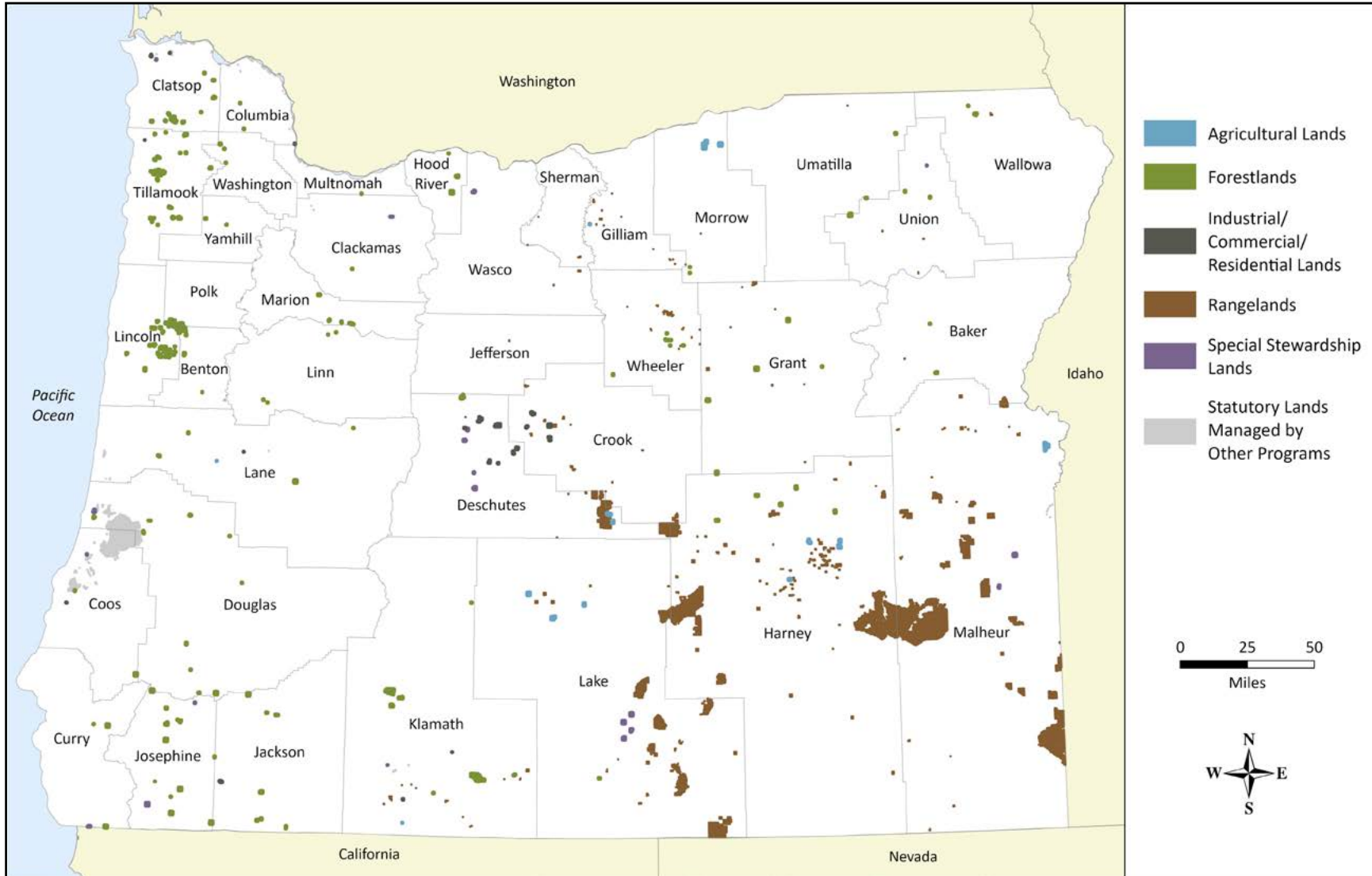
| LAND CLASSIFICATION | CONSTITUTIONAL OWNERSHIP | STATUTORY OWNERSHIP | TOTAL LAND CLASSIFICATION |
|---------------------------|--------------------------|---------------------|---------------------------|
| Agricultural Land | 7,051 | 2 | 7,053 |
| Forestland (All) | 39,088 | 182 | 39,270 |
| ODF-Managed Forestland | 24,636 | 182 | 24,818 |
| DSL-Managed Forestland | 14,452 | | 14,452 |
| ICR* | 3,874 | 177 | 4,051 |
| Mineral (Subsurface Only) | 771,146 | 360 | 771,506 |
| Rangeland | 598,717 | 25,650 | 624,367 |
| Renewable Energy** | 0 | 0 | 0 |
| Special Stewardship | 5,161 | 297 | 5,458 |
| Total Land Classification | 1,425,037 | 26,668 | 1,451,705 |
| Total Without Minerals | 653,891 | 26,308 | 680,199 |

* ICR are lands that are, or have strong potential for being, zoned for Industrial, Commercial, or Residential uses

** The [Asset Management Plan](#) created the Renewable Energy land classification, but no energy leases have been energized to date

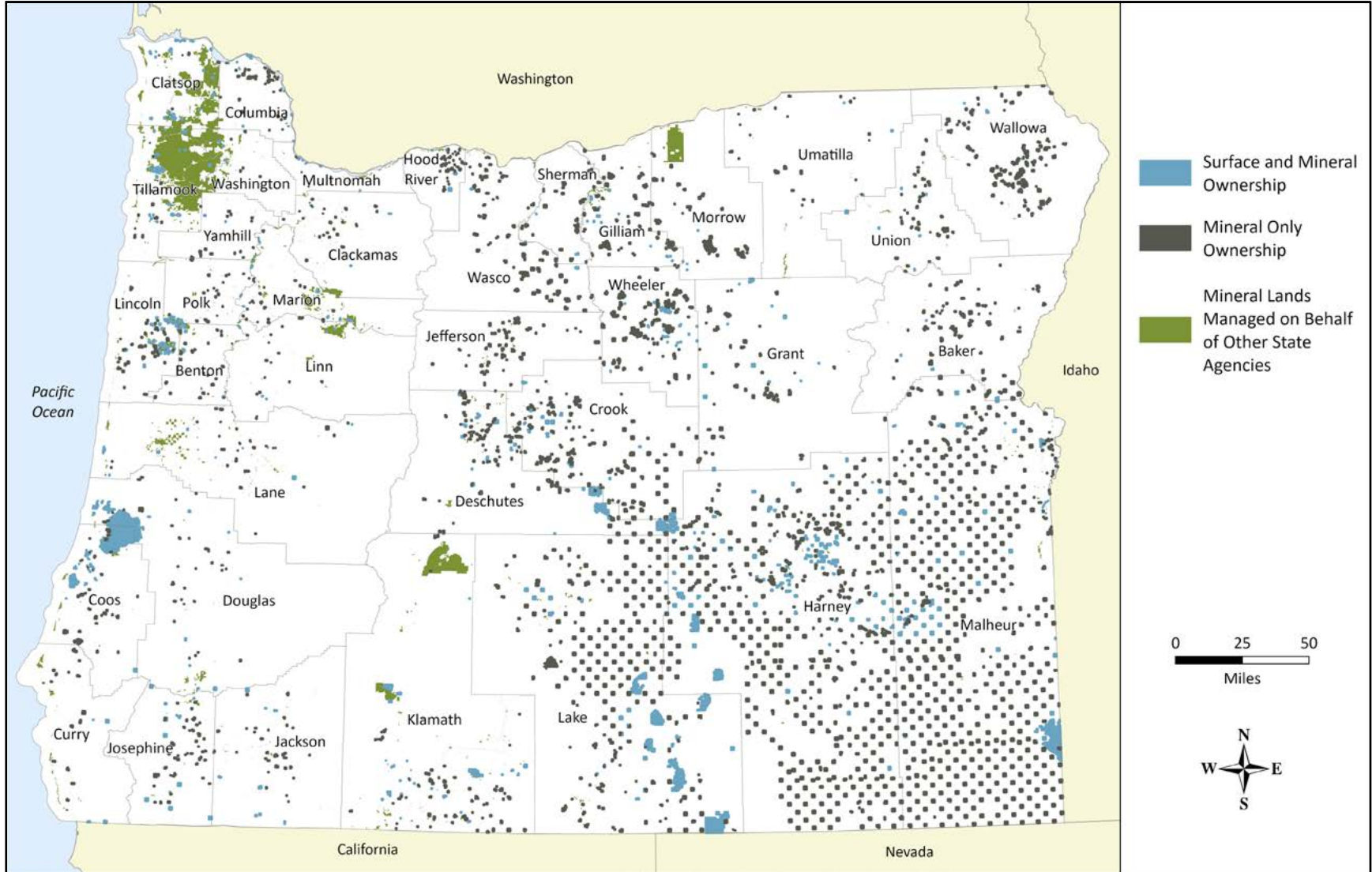
APPENDIX A: SCHOOL LANDS BY CLASSIFICATION (CONTINUED)

School Lands Map (Without Mineral Ownership)



APPENDIX A: SCHOOL LANDS BY CLASSIFICATION (CONTINUED)

Mineral Ownership Map



APPENDIX B: PROGRAM PERFORMANCE

This table shows Real Property Program performance through gross revenue, expenses, and net operating income (NOI) for the past three fiscal years and the 3-year average net operating income. Because of the updated Asset Management Plan, the Elliott State Research Forest is no longer part of the forestland fiscal year summary, but it still impacts 3-year averages. This table does not include income from land sales.

Real Property Revenues, Expenditures, and Net Operating Income (NOI) by Land Class

| LAND CLASSIFICATION | FISCAL YEAR 2023 | | | FISCAL YEAR 2024 | | | FISCAL YEAR 2025 | | | 3- YEAR AVG ANNUAL NET OPERATING INCOME |
|---------------------------|------------------|-------------|---------------|------------------|-------------|------------|------------------|-------------|-------------|---|
| | GROSS REVENUE | EXPENSE | NOI | GROSS REVENUE | EXPENSE | NOI | GROSS REVENUE | EXPENSE | NOI | |
| Agricultural Land | \$341,739 | \$102,407 | \$239,332 | \$348,780 | \$57,869 | \$290,911 | \$352,844 | \$78,834 | \$274,010 | \$268,085 |
| Rangeland | \$850,650 | \$646,584 | \$204,066 | \$1,162,480 | \$1,167,275 | (\$4,796) | \$1,376,500 | \$1,549,272 | (\$172,772) | \$8,833 |
| ICR | \$991,491 | \$750,058 | \$241,433 | \$1,060,699 | \$822,900 | \$237,799 | \$599,963 | \$849,985 | (\$250,022) | \$76,403 |
| Forestland | \$2,921,775 | \$6,016,634 | (\$3,094,860) | \$4,508,362 | \$4,594,171 | (\$85,809) | \$2,777,072 | \$1,802,362 | \$974,710 | (\$735,320) |
| Mineral & Energy Resource | \$130,650 | \$60,341 | \$70,309 | \$110,509 | \$63,079 | \$47,431 | \$247,734 | \$82,458 | \$165,276 | \$94,339 |
| Special Stewardship | \$9,574 | \$8,919 | \$655 | \$6,000 | \$4,327 | \$1,673 | \$6,433 | \$10,573 | (\$4,139) | (\$604) |
| Total | \$5,245,879 | \$7,584,943 | (\$2,339,064) | \$7,196,830 | \$6,709,621 | \$487,208 | \$5,360,547 | \$4,373,484 | \$987,063 | (\$288,264) |

Forestland Breakdown

| | | | | | | | | | | |
|------------------------|-------------|-------------|-----------|-------------|-------------|-----------|-------------|-------------|-------------|-----------|
| ODF-managed Forestland | \$2,754,787 | \$1,846,378 | \$908,409 | \$2,801,158 | \$2,109,972 | \$691,186 | \$2,635,066 | \$1,574,578 | \$1,060,488 | \$886,694 |
| DSL-managed Forestland | \$92,102 | \$91,891 | \$211 | \$650,453 | \$191,960 | \$458,493 | \$142,006 | \$227,784 | (\$85,778) | \$124,309 |

APPENDIX C: LAND AUTHORIZATIONS

This table shows a tally of leases, licenses, easements, and permits for uses on school lands in FY 2025. When compared to FY 2024, authorization numbers were down, but total revenue increased about \$200,000.

Land Authorizations

| AUTHORIZATION TYPE | LAND USE | # OF AUTHORIZATIONS | TOTAL ACRES | TOTAL REVENUE | % TOTAL REVENUE |
|---------------------------------|--|---------------------|-------------|---------------|-----------------|
| Forage Leases | Grazing | 158 | 657,738 | \$1,213,841 | 59% |
| Special Use Leases/ Licenses | Agriculture | 13 | 7,125 | \$342,709 | 17% |
| | ICR | 2 | 402 | \$65,095 | 3.1% |
| | Communications | 10 | 5 | \$57,400 | 2.8% |
| | Hard Mineral | 2 | 680 | \$245,852 | 12% |
| | Upland Quarry | 2 | 10 | \$1,250 | 0.1% |
| | Recreation | 6 | 80.8 | \$8,103 | 0.4% |
| | Solar Energy | 4 | 22,855 | \$118,825 | 5.7% |
| | Miscellaneous | 5 | 6,085 | \$5,033 | 0.2% |
| Oil & Gas | Oil & Gas | 7 | n/a | \$1,230 | 0.1% |
| Easements | Easements | 1 | 1.9 | \$3,283 | 0.2% |
| Permits | Small Products, Gravel Removal, Firewood & Hauling Permits | 28 | n/a | \$8,435 | 0.4% |
| Total* | | 238 | 694,983 | \$2,071,056 | 100.00% |

Note: Acres may be double-counted due to multiple authorizations on the same property

*Total is for authorizations issued by the Real Property Program and does not include income from the leasing of space in the Department's Salem building

APPENDIX D: LAND TRANSACTIONS

A mineral sale, a land sale (filled lands), and three deed exchanges occurred during FY 2025.

Land Transactions

| TRANSACTION TYPE | LAND SALE NAME | TRANSACTION AMOUNT | COUNTY | DEED DATE | ACRES | LAND CLASSIFICATION | OWNERSHIP DESIGNATION |
|-------------------------------|----------------------|--------------------|-----------|-----------|-------|--------------------------|-----------------------|
| Mineral Sale for Other Agency | DG Strategic VII LLC | \$10,000 | Marion | 9/4/24 | 67.50 | Minerals | n/a |
| Deed exchange | West Hayden Island | \$0 | Multnomah | 4/10/25 | 65.00 | Waterway Adjacent Upland | Statutory |
| Deed exchange | Stimson Lumber | \$0 | Columbia | 12/27/24 | 7.00 | Waterway Adjacent Upland | Statutory |
| Deed exchange | City of Clatskanie | \$0 | Columbia | 8/16/24 | 0.69 | Waterway Adjacent Upland | Statutory |
| Land Sale | Fortuna | \$315,715 | Clatsop | 10/25/24 | 0.70 | Waterway Filled Land | Statutory |

APPENDIX E: ROLLING THREE-YEAR NET OPERATING INCOME

This table reflects the stability of income on land classifications and forestland units. Agricultural lands exhibit very stable income. Elliott State Research Forest income is not included in this table, which results in different averages for FY 2023-2025 than reported in Appendix B.

Rolling Three-Year Average Annual Net Operating Income

| LAND CLASSIFICATION | YEARS | | | | |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| | FY 2019-2021 | FY 2020-2022 | FY 2021-2023 | FY 2022-2024 | FY 2023-2025 |
| Agricultural Land | \$201,334 | \$191,670 | \$208,266 | \$235,336 | \$268,085 |
| Rangeland | \$74,650 | \$134,645 | \$91,100 | \$85,669 | \$8,833 |
| ICR | \$92,549 | \$38,367 | \$85,259 | \$190,635 | \$76,403 |
| ODF-Managed Forestland | \$817,194 | \$1,264,311 | \$1,243,204 | \$1,108,449 | \$886,694 |
| DSL-Managed Forestland | \$(79,277) | \$(60,984) | \$(43,763) | \$113,784 | \$124,309 |
| Mineral & Energy Resource | \$42,739 | \$36,635 | \$30,072 | \$54,167 | \$94,339 |
| Special Stewardship | \$28,446 | \$15,545 | \$6,974 | \$(824) | \$(604) |
| School Lands Avg. Total | \$1,177,634 | \$1,620,189 | \$1,621,112 | \$1,787,217 | \$1,458,058 |