

Kathy Westenskow, Joanne Miller, Patty Burke, Megan Harper, Kammie Bunes, Chris Havel on the phone.
9/8/2015, 3:30 p.m.

From BLM: three items to bring to nonprofit's attention before they submit their portion of the application.

- 1) The R&PP process requires nonprofit to purchase land from BLM. Patent cost = fair market value minus 50%, minus original purchase price (State of Oregon paid to BLM) prorated for subject acres.
- 2) Revenue from commercial ventures is not permitted on R&PP land. This operation /might/ be a commercial venture if that's the dominant use, and wouldn't qualify for transfer. Up to applicant to prove how this isn't a commercial venture. Fees would have to be comparable to other R&PP courses.
- 3) Third party (Bandon Biota as manager) of property must devote all funds (after management costs) back to use on the property. This means funds for gorse control outside the property, and devoting profits to scholarships, wouldn't be allowed. The possibility of apportioning income—so income derived from use of the subject 280 acres is kept separate from revenue from the adjoining private property—may be an avenue to explore, but is not a conclusive solution to the prohibition of use of funds off-property.

The kinds of questions BLM will consider after the application is received:

- 1) To what degree is access open to general public?
- 2) How will public fees be set and are they comparable to other R&PP golf courses?
- 3) Will capital improvements belong to nonprofit or subcontractor (Bandon Biota)? How will capital improvement work on property be financed? Will the nonprofit be endowed, or will the improvements be financed by a bank or Bandon Biota? If financed externally, would those financiers then own some sort of interest in the developments, or in the case of default? This would reflect ownership interest by nonqualifying entity. Original patentee has to maintain control and ownership, or else consideration of the project could very well stop.

BLM needs copy of 1986 plan (sent with these notes).

Regarding other courses nationally: most R&PP golf courses have been run through a municipality, taking them out of the commercial sphere. One possible non-muni case in Nevada. Much higher hurdle at this point because of private business involvement. Nonprofit needs to clearly define how they are not a commercial venture.

The non-R&PP route to ownership free of deed restriction would require OPRD to relinquish the subject portion of property, triggering a study by BLM to establish whether the property is surplus, followed by determining the method of sale. This would take longer, but be a straighter path to unencumbered ownership as opposed to the current application method, which will result in nonprofit having title subject to BLM reversionary clause.

OPRD updates BLM on status of assessment of disturbed ground inside the property.