

Agenda Item No.: 2
Work Plan Title & #: State Forests Workplan 2
IBI # & Title: IBI 4 – Review and approve land transactions
Presentation Title: Gilchrist Acquisition Approval
Date of Presentation: February 10, 2010
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SUMMARY

The purpose of this agenda item is to seek Board of Forestry approval for acquisition of approximately 43,235 acres of forestland in northern Klamath County referred to as the Gilchrist tract.

CONTEXT

Since the summer of 2008, the Oregon Department of Forestry has been pursuing acquisition of a significant tract of privately owned pine forest in northern Klamath County, known as the former Gilchrist tract forestlands, located east of Highway 97 in the Gilchrist-Crescent area, approximately 45 miles south of Bend (see Attachment 2 Vicinity Map). The Department’s early interest in acquiring these lands grew out of the concern that they would be subdivided and lost as working forests.

If kept together and in forest use, over time, these forests can provide sustainable timber jobs, keep wildlife habitat intact, and secure public access to recreation opportunities. In time, a working state-owned forest will also provide a steady stream of revenue to Klamath County and local taxing districts.

During the 2009 legislative session, the Board sought and was granted updated acquisition authority that has facilitated the Gilchrist acquisition process. The Department also sought and received funding in the form of \$15 million in Oregon Lottery-backed bonds to fund this purchase.

Throughout 2009, the Department negotiated with the landowner and undertook a series of studies on the property as required by administrative rule and agency policy, including a real estate appraisal, leading to a successful purchase agreement. A summary of these studies is included in the Staff Analysis, Attachment 3. A summary of the key steps undertaken through the acquisition process is included in the OAR Compliance Summary, Attachment 1.

In December 2009, the Department held a public hearing in Klamath Falls to gather public input on the acquisition. 21 people were registered in attendance at the meeting. Public testimony was unanimously supportive of the acquisition. A summary of the public testimony is contained in the Hearing Officer’s Report which is included as Attachment 4.

In January, the Klamath County Board of Commissioners passed a resolution in the form of a county order (Attachment 5), which strongly supports the acquisition.

Because the funds authorized were not sufficient to acquire the entire Gilchrist tract parcel, the Department has worked closely with the national non-profit land conservancy The Conservation Fund (TCF) to lay the groundwork for acquiring the remaining approximately 25,000 acres. TCF is in the process of acquiring that block and will hold it until such time as the Department can obtain sufficient funding sources to acquire that parcel, which will achieve the longer-term vision of the entire Gilchrist tract becoming the Gilchrist State Forest. TCF has also been instrumental in assisting the Department in identifying potential funding sources for that purchase, including Forest Legacy and the potential sale of carbon offset credits.

The action before the Board today does not relate to the remaining 25,000 acres. However, the Department intends to bring a similar acquisition approval request to the table for these lands in the next 3-5 years.

RECOMMENDATION

The Department of Forestry recommends that the Board of Forestry:

1. Approve acquisition of approximately 43,235 acres of the Gilchrist tract forestlands as described in the attached materials;
2. Direct the Department of Forestry to proceed with the real estate transaction process as identified in agency policy and administrative rule.

NEXT STEPS

Assuming the Board approves this recommendation, the real estate closing would happen on or around March 2, 2010. An update on that action will be provided at a future meeting. A dedication ceremony involving the Board of Forestry, the surrounding communities and cooperators, will be planned for an appropriate time later this year.

ATTACHMENTS

- (1) **OAR Compliance Summary**
- (2) **Vicinity Map**
- (3) **Staff Analysis Report**
- (4) **Hearing Officer Report**
- (5) **Klamath County Order**