15 December 2017

The Honorable Governor Kate Brown, Chair

The Honorable Secretary of State Dennis Richardson

The Honorable State Treasurer Tobias Read

Dear State Land Board Chair Brown and Members Richardson and Read:

We thank you for your unanimous decision to keep the Elliott State Forest (ESF) in public ownership, the first key step towards finding a lasting conservation solution for one of Oregon’s natural treasures. After completion of a federal habitat conservation plan the next key step will be the full divestiture of the ESF from the Common School Fund (CSF); we support your direction to the Department of State Lands (DSL) to convene a Stakeholder Advisory Group (SAG) to help inform State Land Board decisions on divestiture.

The precedent-setting decision by the Oregon Legislature to provide $100 million in state bond funds to divest the ESF from the CSF will allow permanent protection of certain lands necessary to protect Endangered Species Act-listed species, other older mature forests and riparian areas. Understanding and establishing the context for this funding is critical if we are to end up with outcomes that robustly support permanent conservation of the ESF for future generations.

The three appraisals of the ESF requested by the SLB to establish the market value of the CSF lands in the ESF all presumed a valid HCP in effect, an assumption the reviewing appraiser found to be reasonable. Specifically, the reviewing appraiser found that 42,255 acres of the ESF would likely be placed off limits to logging to support the conservation requirements of the HCP, thus appraising the timber value of these lands to be zero ($0). The reviewing appraiser further appraised the underlying “bare” land value of these acres at ~$6 million. Utilizing the state bond funds for divestment of these acres protected by the HCP leaves ~$94 million of bond funds to divest from the CSF additional acreage with high-conservation value which may not be specifically designated for conservation under the HCP,

We recommend the SLB establish the following as the basis for the utilization of the $100 million in state bond funds, and thus the basis for the HCP and the deliberations of the SAG:

* Permanent protection (divestiture) of those acres of the ESF necessary to ensure habitats for ESA-listed species forming the basis of a successful HCP, i.e. approx. 42,255 acres for ~$6 million; and
* Using all the remaining state bond funds, ~$94 million, to divest from the CSF lands of high conservation value that may not be protected under the HCP, including native stands (with the oldest stands being the top priority) as well as any lands within one site-potential tree-height of all streams and wetlands, further contributing to the conservation of the three ESA-listed and other species, and ensure full protection of riparian areas and water quality.

Given that the appraised value of $220.8 million anticipated an HCP being in place, the expenditure of the $100 million of state bond funds should likely allow for well over 50,000 acres of the ESF to be divested from the CSF and placed into permanent conservation status, as directed by the Oregon Legislative Assembly when approving the bonding to:

*preserve noneconomic benefits of the forest for the public such as recreation, aesthetics, wildlife or habitat preservation or other environmental and quality of life considerations.*

Divestiture of the ESF from the CSF, and ensuring its permanent protection and conservation management, are the most important actions the SLB can take to ensure the ESF continues to provide lasting benefit to future generations of Oregonians. We look forward to working with the SLB to enable full divestiture of the ESF, and ensure it is protected, restored and managed to ensure lasting conservation of this natural resource treasure. Please contact us for any assistance, questions or concerns as the divestiture process for the ESF moves forward.

Yours in conservation for this and future generations,

Bob Sallinger, Conservation Director, Audubon Society of Portland
Noah Greenwald, Endangered Species Director, Center for Biological Diversity
Nick Cady, Legal Director, Cascadia Wildlands
Paige Spence, Oregon Conservation Network Director, Oregon League of Conservation Voters
Teresa Bird, Coast Range Forest Watch
Steve Pedery, Conservation Director, Oregon Wild
Rhett Lawrence, Conservation Director, Oregon Sierra Club
Andy Kerr, The Larch Company
Cameron La Follette, Executive Director, Oregon Coast Alliance

CC: Jim Paul, Director, Oregon Department of State Lands