

EAST OREGONIAN

State will yield management of Elliott to private company

The Oregon Department of Forestry has managed the forest for decades.

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COURTESY OREGON DEPARTMENT OF FORESTRY

Although the Oregon Department of Forestry has managed the Elliott State Forest for decades, those duties will be taken over in July by a private company.

Capital Bureau

SALEM — Although the governor and environmental groups like to say that the state land board has decided to keep the Elliott State Forest “in public hands,” come July, the 82,500-acre tract near the Southern Oregon coast will be managed by a private company.

The Oregon Department of Forestry has managed the Elliott for decades, but the Department of State Lands is now finalizing a contract with Titan-Kelly, LLC, for custodial management of the Elliott State Forest. The agreement would be for one year, effective July 1, with an option to renew up to five years.

While the dotted line has not yet been signed, the agreement is expected to cost the state \$780,000 per year.

Titan-Kelly, LLC is based in Pleasant Valley, according to an online directory compiled by Associated Oregon Loggers, a statewide trade association. The company will maintain roads, do some reforestation, oversee public access and other basic, “custodial” tasks, but will not harvest timber on the land, according to a spokeswoman for the Department of State Lands.

The Department of State Lands oversees state trust lands, including rangelands and forests such as the Elliott. State trust lands are constitutionally required to generate revenue for the Common School Fund, which is essentially an endowment for public K-12 education.

For years, the Elliott generated revenues for the Common School Fund via timber harvests.

It was not immediately apparent late Wednesday how, under an agreement with a private company that will not be harvesting timber or performing other revenue-generating activity on the forest, the arrangement with Titan-Kelly would meet the requirement that the land generate money for the Common School Fund.

It has always cost money to manage the Elliott, said Julie Curtis, a spokeswoman for the Department of State Lands.

“There’s a certain amount of money associated with holding real property,” Curtis said in a phone interview Wednesday.

Initially, she added, when the department sought a private manager in mid-2016, the department thought that the forest would be on its way to ownership by another, possibly private, entity, by the end of 2017. The department sought a private manager for the interim period between the end of the budget cycle June 30, 2017 and what they believed would be the transfer of the land to a private entity months later.

Net revenue from the Elliott has fluctuated over the last few years. The State Land Board — the governing body overseeing state trust lands — sought a private buyer in 2015 after a consistent dip in the red due to harvest limitations imposed in the aftermath of environmental lawsuits.

By late 2016, though, only one buyer had submitted a proposal by the state’s deadline: a proposed partnership between a timber company, Lone Rock Resources, and a Native American tribe. Meanwhile, public opposition to privatizing the forest in return for a fixed sum of \$220.8 million had mounted from environmental groups. On May

9, the board decided to halt the sale protocol and not sell the land to the partnership between Lone Rock and the Cow Creek Band of Umpqua Tribe of Indians.

The request for proposals for a private contractor to manage the Elliott closed April 24, according to DSL.

Although it had become clear by then that Gov. Kate Brown, chair of the land board, no longer wanted to sell the forest to Lone Rock, the state lands department decided to proceed due to the relative expense of having ODF continue to manage the forest compared to a private contractor, said Curtis, the spokeswoman for the Department of State Lands.

State agencies put together their budgets on a two-year basis.

“It was tough for (ODF) to give us a one-year or six month quote because they operate on a biennial basis, too,” said Curtis.

Additionally, Curtis said, the forestry department’s staff has been shrinking in the Coos District, where the forest is located. It would have been difficult for ODF to turn around and re-up their staffing to meet the demands of managing the land.

“Everybody was working towards the fact that the Elliott was transferring toward another owner,” Curtis said. “We felt it made a lot of sense to go with a custodial manager for those months and we thought it was easier to go out to the private sector.”

Although cost was a factor in the decision to switch to a private manager, the state lands department could not provide figures late Wednesday on the cost of having ODF manage the forest.

Comparing ODF to the Oregon Department of Transportation, Curtis said that the Department of Forestry has hired subcontractors to do specific tasks on the forest, such as restoring riparian areas.

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