



Office of the President

Oregon State University, 600 Kerr Administration Building, Corvallis, Oregon 97331-2128

Phone 541-737-4133 | Fax 541-737-3033

To: Tobias Read, Treasurer
From: Edward J. Ray, President
Date: April 25, 2017
RE: Elliott Forest Memorandum of Understanding

Purpose

The purpose of this Memorandum is to provide the framework for participation by Oregon State University ("University") in stakeholder discussions about a public ownership option for the Elliott State Forest. The attributes set forth establish the University's position with respect to purchase, management and research involving the Elliott State Forest should the Oregon State Land Board ("Land Board") proceed with talks to retain public ownership. This is consistent with the University's interest in exploring investment in comprehensive, sustained research and data collection to better inform the relationship between active forest stand management and conservation of listed species. With this in mind, the University and the Oregon State University College of Forestry are interested in supporting state efforts regarding the Elliott State Forest.

Attributes for Engagement

1. The Land Board retains ownership with the University option to purchase triggered by approval of Habitat Conservation Plans ("HCP") for murrelet and salmon stocks under the federal Endangered Species Act, and exercised by December 31, 2023.
2. A \$100 million payment will be made by the state to the Common School Fund to ensure public ownership and to ameliorate the immediacy of revenue concerns. (No conservation easement is implemented based on this payment.)
3. The Land Board provides a stated mandate for multiple-use management emphasizing active forest land management capable of supporting research, education, conservation values, harvest and public access.
4. The Oregon Department of Forestry ("ODF") implements staffing and funding for custodial management consistent with that mandate pending exercise of an option to purchase.
5. A stakeholder advisory board representing multiple interests is established for consultation on harvest and management issues pending final agency and court decisions on HCPs.
6. Pending final HCP approval, and in consultation with the stakeholder advisory board, the University will implement broad-scale research to collect and assess data on the relationship between active forest stand management and conservation of listed species based on proposed HCP protocols. After adoption of HCPs, the University will continue to implement an adaptive research and monitoring program to test the effectiveness of management strategies in meeting HCP protocols, and to inform timber harvest practices in relation to environmental and conservation objectives generally.
7. Beginning January 2018, a fixed amount to be determined (\$___million/year) will be dedicated to fund research as outlined in 6 above and/or conducted by or at the direction of the College of

Forestry Institute for Working Forest Landscapes. This research will be funded from harvest or other revenues but must be assured as an ongoing commitment to the long-term continuity of the research.

8. Upon final actions relating to HCP approvals, the University will consider an option to purchase the fee title to the Elliott State Forest for an amount not to exceed \$121 million with proposed terms and deed restrictions subject to approval of the Land Board. The estimated impacts of a purchase on the University's strategic operating and capital plans then in place will guide its consideration of purchase. Terms for purchase would include but not be limited to the following:
 - a. Provide assurance of public ownership in perpetuity;
 - b. Establish active forest management research and education as the long-term, primary management objective for the forest;
 - c. Specify specific protections for older stands;
 - d. Ensure public access on the forest;
 - e. Establish management protocols for stream buffers that meet or exceed those identified in the HCPs or the Oregon Forest Practices Act (whichever is more stringent);
 - f. Ensure management will be undertaken in consultation with a stakeholder advisory group convened by the Institute for Working Forest Landscape Advisory Board.
9. Terms for any purchase may include financial contributions from governments, non-governmental organizations or private and/or tribal partners in the form of grants, conservation easements or shared ownership arrangements as needed to ensure self-sustaining and sustainable management of the forest over time that would provide sufficient revenues from allowable timber sales under the HCPs to pay costs of management, fund primary research objectives and pay any required debt service.
10. Exercise of a purchase option will only occur if the elements identified herein prove sufficient to cover the purchase price, management of the forest and continuation of primary research objectives. In short, there must be a viable business plan. It is understood that the University is under no obligation to exercise the purchase option.