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FORESTRY

Oregon's Elliott State Forest nears likely sale, with Roseburg-based timber company Lone Rock Resources leading the bid





BY DYLAN DARLING

The Register-Guard

DEC 11, 2016

COOS BAY — Environmental groups hope top state government officials this week will either scrap or delay a proposal to sell the 82,500-acre, state-owned Elliott State Forest near Coos Bay.

The sole potential buyer, Lone Rock Resources of Roseburg, stands with a \$220.8 million purchase proposal in hand for the forest.

Top state officials have said they are inclined to sell the forest because the state has been unable to harvest much timber there in recent years. The forest has netted only an average of about \$5 million a year from timber sales in the past few years. Increasing environmental protections and lawsuits in recent decades have reduced the volume of timber being cut in Elliott

— and how much money the forest generates for its legally mandated purpose of funding K-12 schools.

But environmental advocates say the sale to Lone Rock would be a bad bargain that would give the logging company too much leeway to cut down tracts vital for rare species.

Lone Rock heads up the only bid for the forest. The Cow Creek Band of Umpqua Tribe of Indians would share ownership of the forest with Lone Rock, and the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians would hold a conservation easement on it.

Funds would go to schools

The sale price would go into Oregon's \$1.4 billion Common School Fund, which doles out money for K-12 education.

A year ago 50 groups, including timber companies, American Indian tribes and conservation organizations, expressed interest in the Elliott, but only Lone Rock submitted a formal offer.

A formal state reply to Lone Rock, setting stipulations for land management for the Elliott, could come as early as Tuesday. But Department of State Lands Director Jim Paul said the state will more likely make the formal offer in February.

Department of State Lands staff reported at the Oregon State Land Board that Lone Rock's plan fulfills key criteria for allowing public access, persevering older forest reserves and

ensuring jobs. The plan would keep half of the forest open to public recreation, subject to a permit from Lone Rock; place a quarter of it into older forest preserves; and provide at least 40 jobs a year for a decade.

Some gaps remain to be filled — questions about boating river access, recreation permits and adjustments to older forest preserves — but the deal looks like a good one, Paul said.

“They have the main pieces in place,” he said.

Lone Rock would log some of the forest, but the company hasn't specified where, how much or how fast. The state's efforts to log the forest in recent years have been hamstrung by environmental lawsuits to protect the forest habitat of the marbled murrelet, a sea-going bird.

While the Lone Rock plan has the support of state staff, it draws criticism from environmental groups who see it as an attempt by Lone Rock to log large, older trees. The forest, which covers more than 128 square miles of the Coast Range, contains stands of century-old Douglas fir trees.

A company official in an interview declined to say how much logging Lone Rock would try to carry out.

“We will know much more about it when we own it,” said Lone Rock Director of External Affairs Jake Gibbs.

Gibbs said Oregon's coastal forests grow fast. “Our history on our own lands is to harvest less than we grow and we totally anticipate doing that same kind of strategy on this forest. (The Elliott) will be managed sustainable for a variety of benefits,” he added.

Offer could come this week

A fourth-generation, family-owned company dating back to 1950, Lone Rock has 100 employees and 130,000 acres of timberland, Gibbs said. The company has a logging operation. It sold its sawmill in Roseburg in 2001. It sells its tree harvests to other companies' mills in Coos Bay, Roseburg and other cities.

The Cow Creek Band of Umpqua Tribe of Indians approached Lone Rock about collaborating

on a purchase of the Elliott, Gibbs said.

Depending on what direction the board gives the Department of State Lands this week, the state's formal offer to Lone Rock and the tribe could come this week or in February, Paul said.

The board comprises Gov. Kate Brown, plus the Oregon treasurer and secretary of state.

The board holds a public hearing on the future of the Elliott and the proposed sale to Lone Rock on Tuesday.

Environmental groups plan to start a rally an hour before the 10 a.m. meeting.

Eugene-based Cascadia Wildlands has been a vocal opponent of the sale of the Elliott. Josh Laughlin, executive director for the nonprofit conservation organization, said he will attend the hearing and speak out against Lone Rock's plan. The plan leaves too much room for logging in habitat necessary for protected species, he argues.

"We believe that there's a much better way forward that will benefit future generations of Oregonians," he said. "And it's imperative that Gov. Brown convenes stakeholders to find a lasting solution for the Elliott that safeguards the incredible values found on this public forest and, most importantly, retains it in public ownership."

The board meets every two months and the Elliott may again be on the agenda on Feb. 14. Brown will still lead the board in February, but the two other board members will be new. Democrat Tobias Read will take over from Ted Wheeler as treasurer, and Republican Dennis Richardson will take over from Jeanne Atkins as secretary. Brown will still be chairwoman of the board.

The board voted in August 2015 to turn the Elliott over to private ownership. If only one bidder was interested, the board technically does not have to vote again for the state to make a deal with the bidder.

Governor floats bond idea

In her 2017-19 budget message early this month, Brown floated the idea of using state bonds to help Lone Rock and the tribe buy the forest. That plan would have the state use its bonds to

move the forest out of the Common School Fund. But Brown offered few details.

Lone Rock's "proposal noted that they invite additional partners," Brown said on Dec. 1 in Salem. "In response to that overture, I am actively looking to the state's bonding capacity as way for the state to participate in a purchase agreement that maximizes public benefit. I look forward to discussing all available options with them and the Land Board at our (Dec. 13) meeting."

Potential for more logging

Logging is at the heart of the Elliott State Forest dispute. The lack of logging is why some top state officials no longer want the forest. The potential for more logging is why Lone Rock is interested in buying it. And the potential to avoid logging and to keep the forest in public hands is why environmentalists are fighting the Lone Rock plan.

Under private ownership, federal and state laws and regulations would still limit logging on the forest, but whether Lone Rock could boost the harvest rate is not clear.

The Elliott State Forest long was a money maker for the state, with Oregon putting the money into the school fund.

"Over the life of the current business model, it is estimated that timber harvesting generated approximately \$400 million in revenue to the Common School Fund," according to a 2014 report by the Department of State Lands. "However, average annual contributions have declined over the past few decades."

Harvests peaked in 1960s

Lawsuits and restrictions brought by Endangered Species Act protection for the northern spotted owl, the marbled murrelet and coho salmon led to less and less logging on the Elliott. Federal wildlife managers added the football-sized spotted owl to the threatened species list in 1990 and the murrelet, a plump seabird, in 1992. Habitat for the spotted owl and marbled murrelet include older forests, such as some stands found in the Elliott. They also gave protection to the ocean-going coho salmon starting in the late 1990s. Tributaries to the coho-inhabited Umpqua River flow through the Elliott.

As the restrictions went up, the amount of logging in the Elliott went down. The annual timber harvest peaked at 90 million board feet in the early- to mid 1960s, when loggers salvaged downed wood from 1962's Columbus Day Storm. In 2014, loggers harvested less than 10 million board feet.

In 2013 the forest lost about \$3 million, after expenses. In 2006-2012, the forest netted an average of about \$5 million a year. That was down from, for example, \$12 million in 2000.

State officials have been trying to determine the future of the Elliott State Forest for "many, many years," Paul said. "It has been far more than a decade where we first were confronted with the situation where we were seeing revenues on decline."

ESA and school fund collide

For 30 years, Coos Bay resident Jerry Phillips managed the Elliott State Forest. He was the Coos District forester from 1970 to 1989 for the Oregon Department of Forestry. The department oversees timber harvests and management in the Elliott, which the state named after Oregon's first forester, Francis Elliott. Elliott and Gov. Oswald West are credited with arranging for state-owned timberlands to generate money for schools.

Phillips saw the amount of logging on the Elliott State Forest shrink in the last years he managed it and it has continued to drop since.

"I see it as a major, head-on collision between two strong forces," said Phillips, who is retired.

One force is the federal Endangered Species Act. The second is the state constitution. "It says that forests must be managed to put money into the Oregon Common school fund," he said. "Those two things are diametrically opposed to each other. So that's why they feel they have to change ownership of it."

Follow Dylan on Twitter [@DylanJDarling](#) . Email dylan.darling@registerguard.com .

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ELLIOTT STATE FOREST TIMELINE

Oregon's first state forest may soon be sold to private buyers. A brief history of the Elliott State Forest.

1868 — Massive wildfire burns much of what later becomes the Elliott State Forest, leveling most of the timber.

1930 — Oregon establishes the Elliott State Forest, named after the state's first forester, Francis Elliott.

Mid 1950s — Trees in the Elliott mature enough for logging to begin.

Early 1960s to early 1980s — Oregon Department of Forestry cuts between 30 and 80 million board feet annually from the Elliott.

1990 — Federal Endangered Species Act listing for the northern spotted owl, found in the forest.

1992 — ESA listing for marbled murrelet, also found in the forest.

1998 — ESA listing for coho salmon, found in streams flowing in the forest.

2000s — Lawsuits focus on species protections; logging drops dramatically from historic levels.

2011 — Protests, including tree sitters, at the Elliott.

2014 — State Land Board starts looking for alternatives for the forest.

2015 — Board votes to allow private purchase of the forest.

November 2015 — About 50 groups, including timber companies, Native American tribes and conservation groups, show formal interest in purchasing the Elliott.

November — Lone Rock Resources, along with the Cow Creek Band of Umpqua Tribe of Indians, submits the only offer to buy the forest.

December — Department of State Lands determines the plan meets key criteria, but some gaps must be filled before the state makes an offer.

Source: Oregon Department of State Lands

"Our history on our own lands is to harvest less than we grow, and we totally anticipate doing that same kind of strategy on this forest."

— Jake Gibbs, Lone rock Director of External Affairs

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Bob Zybach

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Find Truth

Dec 10, 2016

It seems the whole lot of legislators from the top down have forgotten basics of biology. We are part of the web of life and our forests are key to keeping balance. There are far more reasons to keep forests intact and restore forests than to clear cut them. Lone Rock logging isn't spending \$220 million dollars to help the forest --they will destroy this forest and turn it into a toxic tree farm. I'm thoroughly disgusted with the greed and ignorance of legislators and other resource extraction industries. We are destroying spaceship Earth.

 6 Reactions

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motleycrew

Dec 10, 2016

It's for the childrun!

"The sale price would go into Oregon's \$1.4 billion Common School Fund, which doles out money for K-12 education."

"A year ago 50 groups, including timber companies, American Indian tribes and conservation organizations, expressed interest in the Elliott, but only Lone Rock submitted a formal offer."

Nobody cares enough to buy it and save it for you.

 2 Reactions

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Reed

Dec 11, 2016

It's already owned by the people of the State of Oregon- and that includes people like you or your kids (who may, unlike you, like to conserve forest resources, rather than destroy them).

 5 Reactions

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motleycrew

Dec 11, 2016

And it came to be owned by the State under conditions that require its harvest and the money from that harvest go to the schools. Since the State can't meet that legal requirement, selling it and giving the money to the schools is the solution.

It's sort of like the butterfly parking lot; you can't just do anything you want with it because of how it came to be in the hands of the government.

 4 Reactions

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sustaineugenedotorg

Dec 11, 2016

Harvest is a euphemism, especially for trees that sprouted long before Oregon had any "white" people.

One percent of the Coast Range is original forest, that is obviously too high of a figure for the cretins who run the Oregon State Government.

 1 Reaction

Flag

React

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motleycrew

Dec 11, 2016

Huh? Wow! Golly gee whiz!

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woodelf

Dec 11, 2016

Talk of sustainable logging, money going to schools, is just a coverup for standard operating procedure and perspective for short term profit. The history of abuse to natural resources because of short term profit motives is enormous, resulting in the complete or near extinction of thousands of species. Environmental lawsuits exist not to thwart jobs, money for schools or sustainable logging, but to prevent ABUSE. The most cost effective methods almost always result in abuse and exploitation. Fact is the state is complying with its logging requirement, just not at a rate high enough for the short term perspective. Why is volume part of the equation? But why sell the land and remove it

from public ownership, why not sell logging rights under environmental guidelines and allow wise sustainable harvests with no clear cutting? Ah, because no one will buy those rights because the only way most companies will log is with methods yielding highest short term returns.

 5 Reactions

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TravisW

Dec 11, 2016

It would seem that perhaps it is time to modify that part of Oregon's constitution that relies on extractive industries to generate income on "Common School Fund" lands. In many instances it seems to not make much sense for the state to significantly diminish the healthy function of these lands when other benefits of healthy watersheds, such as healthy runs of native fish, recreation, and habitat for wildlife can be realized by keeping them intact.

 6 Reactions

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maicaw

Dec 11, 2016

"...The forest, which covers more than 128 square miles of the Coast Range, contains stands of century-old Douglas fir trees..." "...Over the life of the current business model, it is estimated that timber harvesting generated approximately \$400 million in revenue to the Common School Fund," according to a 2014 report by the Department of State Lands. "However, average annual contributions have declined over the past few decades..." "...Mid 1950s — Trees in the Elliott mature enough for logging to begin.

Early 1960s to early 1980s — Oregon Department of Forestry cuts between 30 and 80 million board feet annually from the Elliott..."

"...The sole potential buyer, Lone Rock Resources of Roseburg, stands with a \$220.8 million purchase proposal in hand for the forest..."

It's been growing wood for 100 years - marketable timber sales have provided twice the sale bid in the last 50 years - WE own it - no need to give it away - It is a jewel we need to keep in Public ownership and manag

 4 Reactions

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React

Reply



Steve L

Dec 11, 2016

I see no mention of where the Land Board meeting will take place, although the article does mention the 10:00 a.m. starting time.

It will take place at Keizer Community Center, 930 Chemawa Road NE in Keizer. Take I-5 to the Chemawa Road exit, just north of Salem.

 2 Reactions

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**Rambler**

Dec 11, 2016

The state has never maximized the returns to K-12 from logging the Elliott.

They've consistently sold valuable century old timber for the price of ordinary second growth at twice the normal logging cost to a few select large mills. A retired timber cruiser, I estimate they received about 30 cents on the dollar even before lawsuits started bleeding off scant profits. The recent Elliott sale of 1453 acres to Seneca for \$1,895,000 (this sale was appraised at over \$6,000,000... 30 cents on the dollar!) appeared to be a reaction to a \$340,000 settlement fee paid to an enviro attorney, resulting in no further protection to endangered species.

Now the state is selling the entire Elliott, worth over \$400,000,000 in real market value, for only \$221 million dollars. The debt service alone will exceed \$10 million a year. meaning lots of logging for the purchaser just to break even, let alone profit.

Our short sighted, inept State Land Board and greedy enviro attorneys are clearly at fault.



3 Reactions

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**blabber**

Dec 26, 2016

its well knowm that CHINA will buy this lumber, refuse to have it mill-worked here, and only give Oregon tiny cheap prices for it.Face it, destroying forests to get PENNIES FROM IT, IS FUTILE. NOT WORTH IT.

Flag

React

Reply

**blabber**

Dec 26, 2016

I have to admit,I was a child here,in Oregon,and I got sick of sitting in the back seats,on trips, seeing miles and miles of endless bare hulls & mountains, because of the immense amt. of LOGGING IN OREGON. ---IT ALL GOT CUT DOWN.I am almost 70, and I thought it was rotten then;I have not changed my mind about it.Oregon got very dependent on nothing but LOGGING, and no other business or manufacturing, ,or other businesses were ever encouraged here.Hence, there IS NO OTHER BUSINESS IN OREGON!---only logging.

The environmentalists are correct; it ALL GETS CUT DOWN-----AND IT ALWAYS DID!! AND none of we Oregon workers ever got that well-to-do off it.--And other businesses were IGNORED.I am still sick of it.Oregon has to find other business to invest in. Get rid of logging in Oregon!! It takes 50 to 100 years to grow a good sized tree.--other businesses pay better, and THEY MUST START HERE INSTEAD. LOGGING never made any of we Oregonians a really good living.---only bare hills.

Flag

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Reply

**Commenter 48833**

Dec 11, 2016

It is imperative to retain our public land. The tRump administration, if it actually is approved by the Electoral

College, will push to liquidate public land and thereby acquiesce to the Bundy Brigade seditious conduct. Selling the Elliott Forest is like a person selling their kidney to buy a hamburger for dinner. Foolish. Short sighted. I hope that we are wise enough to retain ownership of the Elliott Forest, which is a unique habitat that supports our collection of wonderful wildlife.

 2 Reactions

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 **sustaineugenedotorg**
Dec 11, 2016

Some people don't know (or care) that air grows on trees, or that forests are a source of water for people to drink. We already have private corporations selling bottled water - how long until they sell bottled air?

 3 Reactions

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 **motleycrew**
Dec 11, 2016

You are right!

Actually millions and millions and more millions of people don't care about that whatsoever, at all or in any way!

\$214 billion worth of sales of bottled water makes your point,

You are just a minority member of a religious cult.

Flag React Reply

 **sustaineugenedotorg**
Dec 11, 2016

Only after the last tree has been cut down

Only after the last river has been poisoned

Only after the last fish has been caught

Only then will you find that money cannot be eaten

-- Cree prophecy

 2 Reactions

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 **motleycrew**
Dec 11, 2016

So let it be written; so let it be done!

 1 Reaction

Flag React Reply

 **sustaineugenedotorg**



Dec 11, 2016

A reason I am not a progress-ive: we are undergoing cultural de-evolution.

The idea that we can foul our water and poison food and the air is astonishing beyond language. Perhaps you don't know anyone who has suffered from cancer, known a parent with a child with a birth defect, and lack compassion for those who have these problems.



1 Reaction

Flag

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motleycrew

Dec 11, 2016

I have personal experiences in both of your examples. Your whining is still unpersuasive.

Compassion is not a substitute for all the other cognitive virtues and attributes.

Flag

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motleycrew

Dec 11, 2016

In reply to:

You are right! Actually millions and millions and more millions of people don't care about that whatsoever, at all or in any way! \$214 billion worth of sales of bottled water makes your point, ...
— motleycrew

At more than \$1.00 per bottle, you are a serious minority!

Flag

React

Reply



Old Soul

Dec 12, 2016

In reply to:

You are right! Actually millions and millions and more millions of people don't care about that whatsoever, at all or in any way! \$214 billion worth of sales of bottled water makes your point, ...
— motleycrew

Speak for yourself; you're retired, banished, tossed, remember? Big numbers impress others like the greedy.

Flag

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Reply



Old Soul

Dec 12, 2016

In reply to:

So let it be written; so let it be done!
— motleycrew

Old attorney's never die; they'll take over the world after they see it through to

total destruction and eat their money for food.

Flag React Reply



blabber
Dec 26, 2016

In reply to:

*Only after the last tree has been cut down Only after the last river has been poisoned Only after the last fish has been caught Only then will you find that money cannot be eaten -- Cree prophecy
— sustaineugenedotorg*

--all this killing mother nature will result in killing off humans on earth.Its a high price to pay, to rid the planet of destructive humans, but, hey, its worth it to get rid of them!!human beings SUCK. :)

Flag React Reply



blabber
Dec 26, 2016

I suppose, burning all Elliot state park down, during a dry summer, would really ruin that big fat sale to lumber co.s wouldn't it?luckily, that won't happen, of course. We should advise environmentalists to never resort to that!! PLEZ!!!! Any how, i am sure they would not be that desperate.

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Free of gluten, filled with flavor

Dedicated gluten-free baker prides herself on creating delicious sweet and savory treats everyone can enjoy

Jessica Scarola, owner of the Elegant Elephant Baking Co. in Eugene, often jokes with her husband, Evan, and her parents about the amazing reality that she is a full-time baker, making gluten-free products that could ...



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