



Forestry Executive Committee Meeting Minutes

Tuesday, October 17, 2017

10:00 a.m. – 11:00 a.m.

These minutes are to accurately account for the items discussed. Please contact Nathalie Gitt if you have any questions or observe any discrepancies in the record.

Special Meeting on the Best Use of the Blodgett Forest Tract

Opening Remarks – Dean Maness introduced the topic for the day and asked the group who had conducted research on the tract (5 attendees indicated they had). He noted that it was a concentrated industrial site and that the College had it in our portfolio since 1929. He noted that it was not as well managed as we'd like prior to OSU managing the forest, especially regarding sustainability, although in recent years our College Forests staff have made improvements. He noted that \$6 million is required for the Forest Science Complex due to escalating construction costs, so the Blodgett is an option for us to raise those funds.

Dean Maness noted that he has not made a decision and that is why he is gathering feedback now. He said that the College would generate more funding initially by selling it, but he is open to all the options, and does not know what the best course of action is. He did note that the College only has the options in front of us, and we should decide together. The Blodgett may not be used as extensively as we'd like.

Comments from Attendees:

- *If it was sold, how much would we be able to endow?*
We don't know what exactly it would sell for, but the market is hot now, but it may be more than it was appraised for. The export differential doesn't make as big an impact as in the past. We'd likely be able to earn the \$6 million we need now, and then have the rest for an endowment that could generate \$500-600k a year. This endowment would be able to support salaries, faculty research, and possibly invest in purchasing other parcels (like the intensive management tract at Mac-Dunn).
- *I understand the motivation for selling, but the optics and explaining the sale or the intensive management going forward is the tricky bit. We ask others to forgo profit and take an ecological approach or to consider social needs over fiscal. It may be difficult for us to justify that the College can act for profit when we are advising others to consider these other important factors. Others may react cynically, so I think we need to think about the optics.*
We hired Mason, Bruce and Girard to conduct an analysis for us regarding the need, desires, and purpose of a College Forest. They came away from focus groups who noted that teaching, research, public interface, and extension were the primary reasons to own a College Forest. No one thought we should own land for financial reasons. Another thought is that the Blodgett is not an ideal place to take visitors, donors, or anyone to show what is considered good management practices.

- *Would you characterize the management of the Blodgett in the past as meeting social goals or good management practices?*
No.
- *The Blodgett has been better managed in recent years and is improving for long-term financial stability for the College.*
That is true, but if we want to keep it then we should use it more extensively for research.
- *The group noted that there is a history on why less research is done on the Blodgett – because it would interfere with the timber harvest. So what is the different position we are in now? It concerns me when you say no one uses it, but people were discouraged from doing that in the past by previous managers. In my dream world, we would have research forests across the state, in every region to serve constituents.*
- *Optics were discussed earlier and they are important factors to consider. I'm not sure what it is says to Extension agents who are out there talking to small woodlands owners about sustainable practices. I'm concerned that it is level 1 site that is hard to find or replace. The Blodgett is industrial – and maybe that's not a bad thing – does the Macdonald-Dunn then become our industrial tract to generate revenues?*
- *How many have read the forest plan? I have looked at the plan with consternation for 30 years. We make plans and then immediately violate them. The plan is there for a reason, especially to avoid cut and run. It's the largest holding we have – all the lands we have been cut over. We ignore plans. One quick flash of fire and the Mac-Dunn would be over for us. Industrial isn't bad because that's what we are also teaching our students. What we need is to get students out there. Optimizing for profit is not what we've ever espoused. We need working examples of this kind of property.*
Those are some very good points about not following forest plans. We should be embarrassed that we are the #1 COF in the nation and we don't have a plan that is certified.
- *The Blodgett is an incredible opportunity as landscape-scale holding. Is it possible to have a good management plan and also have the returns the College requires? This is an excellent research topic; we could it very public – this is what we are doing, these are our goals – can we do it? It would be great to have students involved in the planning process and informative to our constituents.*
- *As one of the few who go up to the Blodgett, I think it's one of the most unique places on coast range. It's large, surrounded by industrial tracts, and the state forest is there too. It has a lot of intact small watersheds which allows for good research. It is not void of recreational opportunities – mushrooms, elk hunting... connections with ODF and close highways to entice Portlanders... there could even be some type of nature conservancy model. There are values both ecological (intact fish runs) and recreational. Looking at it as revenue is short-sided. There is more offered than the report states.*
- *I appreciate your time and effort to seek input for this decision, as it is a very important one for the College. I have to say that it gives me chills to see "fiduciary responsibility" stated in the report. Yes, it is our responsibility to be financially stable, but we are also different than a company. When is the last time someone gave their life gift to [a large timber company]? Never. It will impact our ability to garner future gifts if we sell the property. Our properties are heavily used by Extension. We are all short termers in comparison to the land and forests, and*

there may be future research opportunities in 30 years we would want that property for, and we'll likely never get anything like that site again. A loan would be preferable. I know a decision is needed by December, but to lose an asset like this is detrimental to the College overall.

We should clearly state that no one is offering us a \$6 million dollar loan we need without collateral like the Blodgett. We may be able to get bridge funding. But there is no loan option available to us right now.

- *This has to do with our principles, the IWFL principles, and the optics. It was pointed out that [a large timber company] bought up much of the Longview properties and that is making the community a bit uneasy. The lake is a concern, there is a clear-cut near the border, and we have the Elliott Forest issues... these make the optics more severe than in the past.*
- *It comes to bigger picture of what do we stand for, what do we teach? Our plan or lack thereof is embarrassing as we noted earlier. It looks like when faced with a financial bind, we just cash in. That's the way to do business – that's the signal we are sending with our action. Our reputation related to industry has gotten in the way with ecological and social research work in the past. We will undermine what we really stand for if this is what we do.*
- *A different perspective – we accumulate assets and they should build what our institution requires – we shouldn't keep it just because we have it or because of sentimental value or fear of shame to give away. If it is not really working for us as it is, if there's a better purpose to meet our goals, why keep it?*
- *I struggle with these options – I see students struggling with funding that could be remedied by this. But it seems that we are already able to generate half a million each year from this tract to benefit our education and research mission. What could be potentially generated is not significantly more than current levels that the forest management group is doing now. It just doesn't seem like a bigger difference. Even if we go with an accelerated harvest, that could potentially create fantastic research issues – what happens if we harvest 80+yr timber on federal lands? - what are some alternatives to increase diversity (Betts work) – both could be addressed in the accelerated harvest related to policy issues.*

Both options in front of us solve the fiscal problem. Selling is not the only option to meet our needs. There is a \$2 million difference in selling versus accelerated harvest. We are losing funding to keep research projects, but we are going to do that. We wish it was so simple that we didn't need the funding or didn't have to manage the college budget as we do. We took a \$400,000 cut this year, and we have 4 vacant faculty positions to fill that gap. We don't want to reduce the funding to the IWFL because we are doing so much good research there.

Finding the money to run the College is tough – only 11% comes from the state. We get the harvest taxes from the industry and the statewide public taxes. We might say there is only \$2 million difference between sell/harvest options – but it is a large amount to us. We can likely find the funding elsewhere, but it is no small amount. I want everyone to have realization of what it takes to fund the initiatives of the college. We are the best because of all the things we do (which takes funding) and we just don't have the student numbers to support all we do. We could increase enrollment but not as quickly or as much as we need to.

- *This is a unique forest because it is owned by us (either haphazard or not); the sale seems to condemn that tract to the surrounding industrial landscape, which then makes it less unique. The Northern Oregon coast will never have another tract of land like this and if we have been given all the right information, it seems that the accelerated harvest is preferable to a sale.*
- *Whatever decision is made, how will it affect the College long-term? We have to make hard choices, but if we walk away from that tract of land, there will be hard feelings amongst the folks in the College (not just the outside).*

<At this point, Dean Maness asked for a pause to address the participants>

We aren't hearing much support for selling the property despite our need. We wanted to hear what we had to say, and if the thought was to sell, then were going to reach out and see what the implications would be with our external folks. But we hear your support for keeping it, and we hear the possibility of using it for research (intensive forestry could be for site 1 land). Our heart is with keeping it hearing what you all have said, so we are going to proceed with that intent and try to make it happen. We will do everything we can to raise funds privately, too, but we do have to put up collateral.

NEXT STEPS:

There was strong support for retaining ownership of the Blodgett and developing additional relevant research projects there. There was little support for selling the parcel outright. Dean Maness committed to pursuing options that would retain the tract which also met the College's financial need and goals.