



# Oregon

Theodore R. Kulongoski, Governor

## Department of State Lands

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July 23, 2008

State Land Board

Debbie Norton  
District Manager  
US Bureau of Land Management-USDI  
Prineville District  
3050 NE 3<sup>rd</sup> St.  
Prineville OR 97754

Theodore R. Kulongoski  
Governor

Bill Bradbury  
Secretary of State

Randall Edwards  
State Treasurer

RE: State of Oregon In Lieu Selection

Dear Ms. Norton:

You have requested additional information concerning the Department's intentions regarding the 1576 acre in lieu selection known as the "Deschutes Market Road Tract" (DMR).

The presence of remnants of the Huntington Wagon Road will require focused management attention to conserve historical qualities. The Huntington Road segment is not currently inventoried in the Deschutes County Comprehensive Land Use Plan as a Goal 5 Historic Resource; nor is it listed in the National Register of Historic Places. We understand that BLM archeologists have determined the Wagon Road to be eligible for the National Register. We are not aware of SHPO having received or processed a nomination.

The Department expects to manage the Wagon Road (Road) area to maintain the historical integrity of this site by ensuring that roads, utility rights of way and adjacent land uses are appropriately mitigated. The Road offers opportunities for historical interpretation and education. Consultation with the State Historic Preservation Office (SHPO), the Oregon Trail Coordinating Council and the Deschutes County Historical Society regarding short and long term management of the area will take place during the Department's management planning process.

Currently, the BLM manages this area as an Area of Critical Environmental Concern. DSL is amenable to a deed restriction that would protect this area for its historical values into the future.

Since the final judgment of the US District Court in *Oregon v. USDI-BLM* (85-646-MA) in 1991, the Department has screened the inventory of all BLM lands in Oregon meeting the state's criteria and the requirements of BLM's manual



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section 2621 for Indemnity Selections. In addition, in 1995 the BLM and DSL entered into a memorandum of understanding (MOU) that outlined both the process and the type of lands that the State of Oregon sought to select for the Common School Fund Trust. Since 1996 and re-affirmed in 2006, the State Land Board approved its Asset Management Plan including guidance for the acquisition of land, including in lieu (indemnity) selections.

The Department has investigated many in lieu opportunities. Given the parameters of the BLM's manual and the 1995 MOU, the Department has not been constrained in its investigations by the land tenure designation status of Public Domain lands.

As a result of the Asset Management Plan's guidance, many BLM properties within western and central Oregon were reviewed. Among them were properties in and around La Pine. In fact several in lieu selections were made in the La Pine area in 1993. Several hundred acres situated within the recently incorporated city of La Pine were analyzed in some detail. While the analysis revealed some future potential for the Common School Fund, the risks and uncertainties outweighed the benefits. Competing public interests for the BLM lands east of Highway 97 between Wickiup Junction and central La Pine appeared to make a State of Oregon in lieu selection premature and presented the potential to thwart local options for future public facilities such as: airport, expansion, wastewater treatment facility expansion and highway interchange. Enclosed is the analysis we completed of the La Pine properties. When faced with a similar situation in Redmond, the Department backed away from an in lieu selection of 320 acres north of the airport and Highway 126 in order to let a local government-BLM land exchange move forward.

If you have additional questions, please contact the Department's lead for the in lieu project, Steve Purchase, Assistant Director for Land Management at 503-986-5279.

Sincerely,



Louise Solliday  
Director

Enclosure

cc: Steve Purchase, Assistant Director, DSL, Salem  
Nancy Pustis, Manager, Eastern Region, DSL, Bend