

## Agenda Item Summary

### BACKGROUND

The Oregon Department of Fish and Wildlife (ODFW) owns or manages by agreement nearly 200,000 acres of land in more than 20 wildlife areas set aside for wildlife use and public recreation. Securing these places for wildlife began in Oregon with the purchase of the Summer Lake Wildlife Area in 1944. Establishment and maintenance of wildlife areas and other resource properties is an integral part of ODFW's Mission to "protect and enhance Oregon's fish and wildlife and their habitats for use and enjoyment by present and future generations."

Private agricultural lands in the Coquille Valley currently contribute a significant amount of habitat, particularly for wildlife, albeit in an altered state. Several restoration projects have been accomplished in partnerships between individual landowners and agencies/watershed councils to improve fish and wildlife habitats and restore historic functions, compatible with private land uses.

SW Region staff, partnering with The Nature Conservancy (TNC), have developed a project to exchange forested ODFW lands having limited public access and relatively common habitat values at Eel Lake, for private, valley bottom, altered wetlands in the Coquille River Basin having high potential for restoration of historically-lost, tidally-influenced wetlands.

ODFW has executed an agreement with Bandon Biota, LLC, to exchange approximately 607 acres of second growth timber lands in Coos and Douglas County near Eel Lake for approximately 510 acres of wetlands in the Coquille Valley. This provides the opportunity to restore lost nesting, feeding, and nursery habitats important to Coho and Chinook salmon, other native fish, waterfowl, and other wildlife species. The Coquille Valley lands comprise two parcels: the Winter Lake parcel at 287 acres, and the Beaver Slough parcel at 223 acres. The two properties are in two different drainage districts. The Winter Lake parcel is contained within a dike system and is drained by the Beaver Slough Drainage District. The Beaver Slough property is drained by the Coaledo Drainage District.

Two distinct projects, linked to this land exchange agreement, are underway and being managed by separate organizations in consultation with ODFW:

- The Beaver Slough Drainage District has begun work on the Winter Lake parcel to replace failing tide gates with new tide gate systems. The new systems will result in improved fish passage, improved water management for adjacent agricultural landowners, less maintenance costs, and less ditch maintenance costs.

- TNC has secured a National Coastal Wetland Conservation Act grant and applied for an OWEB matching grant for restoration work associated with the Winter Lake and Beaver Slough parcels.

### **Eel Lake Property**

The Oregon Game Commission purchased 1,908 acres at Eel Lake in 1940, initially for cutthroat trout production at the lake outlet. The property was logged during WWI, and a portion was logged in the 1990's. Portions of the property were sold or traded in the 1960's. Of note was the western portion was transferred to Oregon State Parks to become Tugman State Park. The current ODFW holdings total 607 acres of forested lands surrounding much of the eastern arm of the lake.

The only public access to the ODFW Eel Lake property is via walking trail, that starts at Tugman State Park near the lake outlet and only continues around a portion of the east side of the lake. For that reason, limited public recreation occurs on this property.

Eel Lake is the municipal water supply for the City of Lakeside. ODFW created a local advisory committee for the Eel Lake land exchange, comprised of members from the city council, mayor, watershed council, STEP group, Lakeside Water Board, and State Parks. Over three years' time meeting with the committee, objectives were established for the protection of the water supply.

These commitments have been made:

- Establish a deed restriction against housing or structures on the property;
- Provide a minimum 200 foot buffer which includes no commercial timber harvest, extra-wide protection buffers around streams entering the lake, and maintaining a visual buffer;
- Vacate an existing easement and replace with a new easement; and
- Lakeside Water Board will hold a conservation easement.

Exhibit 1 shows Eel Lake, the ODFW property, and the proposed buffer.

### **Coquille Valley Properties**

The Coquille Estuary is the second longest estuary in Oregon, with tidal influence extending ~ 40 miles to the town of Myrtle Point. This is second only to the Columbia River Estuary. The Coquille Estuary has suffered a severe reduction in the amount of un-diked wetlands. While a historic estimate from the time of settlement in the mid-1800's was over 17,000 acres of tidally-connected wetlands, only 400 acres were estimated to remain, according to a 1992 report by the US Forest Service's Pacific NW Forest and Range Experiment Station. With a newly completed 400 acre restoration project in the lower estuary by the U.S. Fish and Wildlife Service (USFWS), that total of un-diked wetlands is approximately 800 acres. This still equates to a 95% loss of un-diked wetlands.

The Winter Lake and Beaver Slough properties are classified as historic habitat for coho salmon, believed to have been an important “collection and rearing” area where fry to presmolt coho resided prior to outmigration to the ocean. This productive, historic rearing area would have been an important habitat for providing substantial fish growth prior to their ocean entry. Historic reconstructions of coho salmon populations estimate that upwards of 417,000 adult fish returned to the Coquille Basin in peak years. In the past decade, annual estimates of 8,000-55,000 coho salmon have returned to the Coquille watershed, with an average of about 21,000. However, with conservation and restoration efforts, returns of coho salmon would increase. Under “normal” ocean conditions, each acre of restored wetland could produce 11 to 14 returning adult coho (Nickelson, 2011 in lit). With restoration of the properties, coho salmon populations in the Coquille watershed could see an increase of up to 3,000 to 4,000 additional returning adults.

Restored wetlands will also provide quality habitat for Chinook salmon, cutthroat trout, and lamprey populations as well as many other fish, wildlife and bird species, including many Oregon Conservation Strategy species.

The USFWS have characterized the Coquille Valley as the most important coastal waterfowl area between San Francisco Bay and Puget Sound, based on mid-winter waterfowl surveys. The largest winter concentration of dabbling ducks and virtually all of the tundra swans are surveyed here. This valley was rated a “high priority” in a Federal ranking of nationwide waterfowl habitat protection needs, and #1 in the State of Oregon. This project will benefit waterfowl by providing a diversity of habitats, including more spring nesting habitat and usable habitat over an extended period of the year. While the Winter Lake pastures typically flood in the winter providing waterfowl and shorebird feeding habitat, this habitat is very simplified and seasonal. Habitat enhancement and water management on this project will provide diverse habitat functions such as multi-forage feeding, resting, nesting, and hiding cover; these values for waterfowl and shorebirds would occur over a greater period of the year, beyond just winter feeding.

Enhanced habitat in the Winter Lake parcel will provide values for more of the life cycle of waterfowl and shorebirds, with the potential to become more than just a “stopover” in the Pacific Flyway. Increased habitat complexity and water management will also contribute to increased survival and growth of fish that utilize the area, addressing limiting factors or “bottlenecks” in their life cycle.

Development of the properties involved in this land exchange would increase public access and recreational opportunities.

### **Relevance to Plans and Strategies**

The Oregon Conservation Strategy (OCS) is an "...overarching state strategy for conserving fish and wildlife", designed to "...use the best available science to create a broad vision and conceptual framework for long-term conservation of Oregon's native fish and wildlife....". The subject area of this land exchange proposal is within the Conservation Opportunity Area # 36 identified in the OCS. Key goals of the OCS include restoring freshwater and tidal wetlands, natural stream channels, and riparian habitats within the river floodplain. Potential actions identified within the Strategy to achieve these goals include restoring tidal connection to historic floodplain habitats, replacing tidegates and culverts, removing invasive plants and replacing with native species, restoring natural stream channels, and placing large wood for fish and wildlife habitat. These goals and actions are consistent with restoring habitat to address limiting factors for native fish and wildlife species.

Loss of overwintering, off-channel habitat was identified as the major limiting factor for coho in the Oregon Coast Coho Conservation Plan for the State of Oregon (2007). A subsequent Limiting Factors Analysis and Subbasin Plan for the Coquille Basin by the Coquille Indian Tribe concurred with the actions and strategies to restore overwintering habitat for coho and other native fish species.

Exhibit 2 shows the Coquille Valley context of the Winter Lake and Beaver Slough properties. Exhibit 3 shows an aerial view of the Winter Lake parcel, while Exhibit 4 shows an aerial view of the Beaver Slough parcel.

## **PUBLIC INVOLVEMENT**

The proposed land exchange and management area development has been presented by ODFW staff and TNC partners at numerous regular meetings of local civic clubs, angler/hunter groups, local governments, and resource industry groups; staff and TNC partners have also met individually with private landowners. Two directed public meetings were held in Lakeside and Coquille to provide information on the proposed land exchange and garner public input.

ODFW staff met and discussed the land exchange agreement with several Oregon State legislators, including Senators Jeff Kruse and Joanne Verger, Representatives Tim Freeman, Wayne Krieger, and Arnie Roblan. ODFW staff also met with staff of Rep. Peter DeFazio and Senator Ron Wyden.

Discussions have also occurred between ODFW staff and Coos County Commissioners, John Griffith & Nikki Whitty (former commissioners), Bob Main, Cam Parry, and Fred Messerle. Also met with Douglas County Commissioners, Susan Morgan and Doug Robertson.

## ISSUE 1

1. Exchange of ODFW lands at Eel Lake for lands in the Coquille River Basin, toward development of a fish and wildlife management area in the Coquille Valley.

## ANALYSIS

The appraised value of the Eel Lake property is \$3,245,000. The values of the parcels in the Coquille Valley are; Winter Lake, \$575,000 and Beaver Slough, \$235,000. In addition, Bandon Biota, LLC will pay ODFW the value of the timber at Eel Lake within two years of closing. If governmental regulations prohibit the sale of the timber within two years an extension can be negotiated. Current appraised timber value is \$2.4 million. Bandon Biota, LLC has agreed to pay at closing the difference between the total land and timber values of \$35,000 in cash.

The restoration efforts will have direct, positive economic impact on the local community. Valuable timberland at Eel Lake will return to private ownership and restoration work may also provide opportunities for local jobs.

Restoration of the Winter Lake and Beaver Slough properties will provide new opportunities for public access for waterfowl hunting and other wildlife-related recreation. Restored habitat will also increase natural fish production thereby increasing recreational and potentially increasing commercial angling opportunity.

The land exchange benefits Douglas and Coos counties because the counties will be able to collect additional property tax revenues. Currently, the ODFW Eel Lake property was “grandfathered” and thus taxes are not paid there.

ODFW will follow Oregon laws and pay “in lieu of taxes” for the properties involved (ORS 496.340). In lieu of tax equals the tax paid by private landowners. Coos County will receive the same amount of tax revenue it currently receives. Also, under ORS 477.230, ODFW will pay twice the fire protection assessment rates that private landowners pay. ODFW will pay drainage district assessments at same rate as private landowners (ORS 547.045).

The Department seeks approval from the Commission as agency policy requires approval for all land transactions valued over \$100,000 (fair market value). *Policy Number ASD-19, November 17, 2000.*

## OPTIONS

1. Approve the exchange of ODFW lands at Eel Lake for lands in the Coquille River Basin, toward development of a fish and wildlife management area in the Coquille Valley.
2. Disapprove the opportunity to complete the land exchange between Eel Lake lands and those in the Coquille Valley.

**STAFF  
RECOMMENDATION**

Approve the exchange of described ODFW-owned lands at Eel Lake for described lands in the Coquille River Basin and direct staff to proceed to escrow closing upon completion of the due diligence processes required under Oregon Administrative Rules for land exchanges.

<b>DRAFT MOTION</b>	I move to approve the exchange of described ODFW-owned lands at Eel Lake for described lands in the Coquille River Basin and direct staff to proceed to escrow closing upon completion of the due diligence processes required under Oregon Administrative Rules for land exchanges.
<b>EFFECTIVE DATE</b>	December 6, 2012